FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 164 *22 August 1984*

ARGENTINA

Former Spanish Prime Minister Suarez Arrives B 1
Meets With Alfonsin B 1
Defense Minister Discusses Plans, Budget Cuts B 1
Labor Minister Views Wage Bonus, Departs for Mexico B 2
Alfonsin Adviser Prebish Interviewed on Economy [GENTE 16 Aug] B 2
Commentator Discusses Support for Sandinists [LA PRENSA 15 Aug] B 6

BOLIVIA

Banzer Justifies 1971 Coup, Leaves for Dallas C 1
Cocaine Manufacture, Transport Process Detailed C 1
[PRESENCIA 5 Aug]

BRAZIL

Figueiredo Dismisses Industry, Commerce Minister D 1
Figueiredo 'Tough' With Dissident PDS Governors D 1
Leitao Abreu, Marchezan on Supporting Maluf D 2
[O ESTADO DE SAO PAULO 15 Aug]
PDS Candidate Favors Relations With Cuba D 2
Neves Discusses Political, Economic Issues [O GLOBO 19 Aug] D 2
Electronic Equipment Found on Seized Boats [O GLOBO 18 Aug] D 4

CHILE

Pinochet on 'War Path' Against Communist Resurgence E 1
Government To Protest Fishing Boat Activities E 1
National Union Meets, Advocates Democratic System E 1
Media Directors End Dialogue on Press Law E 2
Vicariate of Solidarity Responds to Pinochet E 2
Bombs Explode Throughout Country 20, 21 Aug E 3

COLOMBIA

Betancur Defends Government's Economic Policy F 1
Spain's Gonzalez on CACM, Contadora Efforts F 1

PERU

Deputy: Economic Measures Yielding Good Results J 1
Seven Peasants Killed in Clash With Shining Path J 1

URUGUAY

Juan Ferreira on Arrest, Political Goals K 1
Government Declines To Extend Party List Deadline K 1
Intervention at National University To End K 2
PIT Rally Protesting Government Economic Policy K 2

VENEZUELA

Foreign Minister on Debt, Contadora, Essequibo L 1
[EL UNIVERSAL 15 Aug]
Hernandez Says OPEC To Reduce Production L 2
Briefs: COPEI Secretary General; Gastroenteritis Cases L 2

MEXICO

Senator Discusses Visit to PRC, Bilateral Ties M 1
Foreign Trade Council Gives Import, Export Figures M 1
Briefs: Petroleum Sector Trade M 1

PANAMA

YA: Government of National Unity Possible [20 Aug] N 1
Briefs: New Ambassador to India N 1

CENTRAL AMERICA

COSTA RICA

Soviet Foreign Affairs Ministry Official Visits P 1
New Monetary Law Approved After Lengthy Debate P 1
Communist Party's Registration Rejected P 1
Editorials Warn About Communist Influence P 2
Infiltration Viewed [LA PRENSA LIBRE 14 Aug] P 2
Schemes Discussed [LA NACION 16 Aug] P 3

EL SALVADOR

FMLN, Armed Forces Clash in San Miguel, La Union P 4
Coprefa Report P 4
Further Report [EL DIARIO DE HOY 20 Aug] P 4
Venceremos on FMLN Ambush of Treasury Police Patrol P 4

HONDURAS

Further Report on Cabinet, Government Reshuffle P 5

NICARAGUA

Shultz Expresses Admiration for Contras P 6
Nunez Says Elections Will Not Be 'Risked' [BARRACADA 21 Aug] P 7
CDN's Cruz Discusses 'National Dialogue' P 8
[Rome LA REPUBBLICA 18 Aug]
ARDE Issues Bulletins on Neuva Guinea Fighting [Voice of Sandino] P 10

CUBA

GRANMA Commentary Views Reagan Media 'Attack' Q 1
Vice President Bush's 'Arrogant Attitude' Noted Q 1
Shultz Statements on Nicaragua Reported Q 1
Romania's Independence Day Commemorated Q 2
Politburo Member Arrives in Bucharest Q 2
Havana To Host Natural Disaster Seminar Q 2
Joint U.S.-Honduran Military Maneuvers Noted Q 2

Guatemala Guerrilla Leader on Recent Actions Q 2
Contra Losses in Nicaraguan Areas Continue Q 3
Salvadoran Troops, Rebels Clash in San Miguel Q 3
Salvadoran Air Force Bombs Civilian Population Q 4
Uruguayan National Party Views Elections Q 4
Havana Conducts Air Raid Drills, Exercises Q 4
FAR Aircraft Maneuvers Held in Villa Clara Q 5

CARIBBEAN

Public Service Association Meets in Grenada S 1

NETHERLANDS ANTILLES

Netherlands Minister on 'Solidarity Fund' S 1

ST VINCENT AND THE GRENADINES

Mitchell Discusses Regional Security, Economy S 2

GUYANA

Union Leader Calls for Constitutional Government T 1
Second Sugar Crop To Reach Nearly 195,000 Tons T 1

OTHER COUNTRIES

DOMINICAN REPUBLIC

Socialist Youths Decry Increased Bus Fare V 1
[LISTIN DIARIO 16 Aug]

PARAGUAY

Judge Orders House Searched for Weapons V 1
[ULTIMA HORA 16 Aug]

FORMER SPANISH PRIME MINISTER SUAREZ ARRIVES

PY212055 Buenos Aires TELAM in Spanish 2005 GMT 21 Aug 84

[Text] Buenos Aires, 21 Aug (TELAM) -- Former Spanish Prime Minister Adolfo Suarez arrived in our country at 1640 [1940 GMT] upon being expelled from Uruguay by the Uruguayan military government. Suarez, who arrived from Monte ideo on flight 235 of Argentine Airlines, was received at the Air Force VIP room by Foreign Minister Dante Caputo, Ambassador at Large Hipolito Solari Yrigoyen, members of the San Martin Palace staff, and by Spanish Ambassador Luis Messia y Jimenez. Foreign Minister Caputo confirmed that today at 1930 [2230 GMT] Adolfo Suarez will be received at Government House by President Raul Alfonsin, as had been unofficially reported earlier.

Meets With Alfonsin

PY220305 Madrid EFE in Spanish 0031 GMT 22 Aug 84

[Text] Buenos Aires, 21 Aug (EFE) -- Argentine President Raul Alfonsin and the former head of the Spanish Government, Adolfo Suarez, today held an hour-long meeting at Government House. Suarez told the press that he talked with Alfonsin about "the international and Latin American political situations," and also about "the incident that took place in Uruguay," the country from which Suarez was expelled on 21 August. The former Spanish prime minister, who excused himself for not giving more details about the conversation, indicated that he visited the president upon the latter's express invitation. Before entering to see Alfonsin, Suarez referred to the decision by the Uruguayan military regime as "painful, to say the very least." The meeting between Alfonsin and Suarez was attended by Argentine Foreign Minister Dante Caputo and Spanish Ambassador in Buenos Aires Jose Luis Messia y Jimenez.

DEFENSE MINISTER DISCUSSES PLANS, BUDGET CUTS

PY211221 Buenos Aires TELAM in Spanish 0010 GMT 21 Aug 84

[Excerpt] Buenos Aires, 20 Aug (TELAM) -- Argentine Defense Minister Raul Borras today said that we must fight bureaucracy in the Armed Forces, adding that any sector that is not directly related to combat will be considerably reduced. During a talk with the journalists accredited to the Defense Ministry, Borras said that important announcements on military activities and the Defense Ministry industrial complexes will be made before the end of the year.

Borras said that the transfer of military units to the interior of the country, especially those that are currently headquartered in the federal capital and in Greater Buenos Aires, is being analyzed in keeping with the policy prepared by the Joint Chiefs of Staff drawn up on the basis of presidential guidelines for reorganization.

Therefore, it is possible that the I Army Corps, the Patricios Infantry Regiment, and the Campo de Mayo Training School might be included in this new plan.

Borras was optimistic about the progress achieved by the joint efforts of the Armed Forces. I can say, he stated, that the operations plan and complementary rules made by the Joint Chiefs of Staff have updated defense policy by 30 or 40 years thanks to the dedication and understanding of almost 100 high-ranking officers of the three Armed Forces branches that make up the Joint Staff.

In answer to a question, Borras admitted that the budget would be a source of problems because of the cuts made by the Defense Ministry, which really relieved the treasury of military expenses. He said that strategic operations have been reduced among the three branches of the Armed Forces because of practical and political needs and with the approval and advice of the Joint Staff.

Upon being questioned, Borras did not attach too much importance to the situation of the military academies, reiterating that the Defense Ministry will not claim authority over high school education. He added that if the military academies are closed, it will happen gradually, and bearing in mind overall interests.

Borras said that the Navy has decided to close its academies; the Army did not say anything about the matter; and the Air Force would continue with its study plans at the aeronautic institute in Funes, near the city of Rosario. He recalled that only 5 percent of the boys who graduate from the military academies continue with a military career.

Regarding the sale of the two destroyers, the Santisima Trinidad and the Hercules, Borras said that there was nothing concrete so far. About the future of several factories under the jurisdiction of the Defense Ministry, he said that they are studying the possibility of establishing a holding company out of them.

LABOR MINISTER VIEWS WAGE BONUS, DEPARTS FOR MEXICO

PY210345 Buenos Aires TELAM in Spanish 0047 GMT 21 Aug 84

[Excerpt] Buenos Aires, 20 Aug (TELAM) -- Labor Minister Juan Manuel Casella today stated that he could not adopt a stand regarding the decision of not granting the one-time 2,500-peso bonus which has been requested by the unified General Confederation of Labor [CGT] since he did not participate in the final meeting held today and thus lacked information.

This is what Casella said tonight at Ezeiza Airport before he left for Cuernavaca, Mexico, to attend the ICFTU and [ORIT] meetings on the impact that the Latin American foreign debt has on the standard of living of the workers. In that forum Argentina will reiterate its stand to the effect that payments be made commensurate with the possibilities of the area with periods of grace and interests commensurate with payment capabilities, Casella stated.

ALFONSIN ADVISER PREBISH INTERVIEWED ON ECONOMY

PY182200 Buenos Aires GENTE in Spanish 16 Aug 84 pp 91, 92, 93, 95

[Raul Prebish, economic adviser to President Raul Alfonsin, interviewed by Renee Sallas in Santiago, Chile; date not given]

[Excerpts] [Sallas] Are you in disagreement with anyone?

[Peebish] Let's not go into that area. I have already had so many headaches. There are people who do not think like I do, and that's all. I have learned to get along with these people throughout my lifetime.

[Sallas] Which economist in the Radical Civic Union [UCR] do you agree with most?

[Prebish] I like Enrique Garcia Vazquez very much. I have daily contacts with him. He is first class, with clear ideas, calm and balanced.

[Sallas] Would you like Enrique Garcia Vazquez as economy minister, for instance?

[Prebish] If I give an answer I will indirectly tell you what you want to know. So I will not answer.

[Sallas] You, Mr Prebish, have spoken of hyperinflation. The elementary question is this: How did we get into this? Why could inflation not be controlled?

[Prebish] The treatment of moderate inflation is known. But inflation like the kind Argentina now has has been seen only a few times. To fight it, the only thing to do is to adopt a series of strong measures, but not unilateral measures.

[Sallas] Why have those measures not been taken so far?

[Prebish] One must consider up to what point the public is willing to accept those measures. Moreover, the reality of the situation is now clearly showing many things to officials and private individuals. Those who had some ideas a few months ago have now forgotten them. For instance, they now recognize that although the fiscal deficit is not the only cause of inflation, it constitutes the problem that must be addressed in the first place. There are other factors causing inflation over which the government has no control. The public deficit must be attacked energetically, and other measures directed at the rest of the economy must be adopted simultaneously. This was not clearly understood initially. I believe that everyone must understand now that several measures must be adopted quickly, measures that can be disregarded when inflation is still minimal.

[Sallas] What measures would you take, specifically?

[Prebish] Do not ask me what measures I would take, because they will believe that I aspire to be economy minister. I am going to suggest what has to be done to the best of my knowledge. First, attack the fiscal deficit, that is, cut back expenses even more. Second, improve tax collection so that the budget can be balanced. As the issuance of paper money to meet fiscal obligations is decreased, money becomes more available for the private sector and the economy is stimulated. And so that all this can be done without inflationary effects, a careful, very considered salary policy is necessary.

[Sallas] You have repeatedly said that the retroactive readjustment of salaries accelerate inflation.

[Prebish] In my view, that's one of the principal factors of inflation.

[Sallas] But what would you do, for instance, in the face of union pressure? What would you do in the face of some just demands for salary increases?

[Prebish] When I returned to Argentina in November 1983, I was amazed at the push and pull over salary increases that was taking place. I could not say that all the Justicialists are in favor of the wrong idea. There are people like Gomez Morales who do not think the wellbeing of the masses will be attained through higher salaries with inflationary expansion. Gomez Morales has publicly said that the only way to increase real salaries is by increasing production. Has the country recovered the growth rate it had in the past? How can we, everyone, at once improve our situation if today's per capita GDP is lower than 10-15 years ago? How can this be possible? As a result, the improvement in the situation of some people is achieve by the worsening of the situation of others. I do believe salaries must be raised, but before the salaries are increased in such an unlimited manner, as is requested, certain measures must be taken so that the salary increases can be effective.

[Sallas] For instance?

[Prebish] Look, interest rates have reached inconceivable levels in Argentina, and production is being stifled. But the rates of interests cannot be lowered if inflation is not reduced, that is, if the fiscal deficit is not reduced. The high rates of interest are the protective barriers for savers. If below-inflation interest rates are paid, people take their money out of the country, or go to the parallel market, or buy goods; they do not want to have money in their pockets. People in Argentina has learned how to protect themselves. But if you fight the fiscal deficit and thus inflation drops, interest rates can be reduced, the situation of enterprises can improve, more manufactured products can be exported, imports can be substituted, there can be more employment thanks to these and other complementary activities. The country moves forward If the idle productive capacity is utilized, there are margins to increase salaries without raising prices, at the expense of the profits the companies make. I agree that salaries must be raised. The difference I have with those who favor an inflationary process is that their method is absurd. By contrast, the method I propose is logical.

[Sallas] Meanwhile, what is the Argentine Government's share of responsibility in this?

[Prebish] At the beginning the government, considering that the UCR had been in the opposition without concrete responsibilities for so long, lacked cohesion. It is now gaining cohesion, and I believe that there will be more energetic action from the administration. I expect as much, especially regarding those 3-month salary readjustments, which is a sound idea from Minister Grinspun. He is the one who thought of the differential readjustments. Those at the bottom of the pyramid will have greater readjustments and those at the top smaller. You see, Grinspun should not be blamed for everything all the time.

[Sallas] Anyway, those readjustments without other measures continue to be inflationary.

[Prebish] They continue to be inflationary, but at a slower pace. This is a step in the right direction.

[Sallas] What would you do, Dr Prebish, to have the unions and workers side with your ideas?

[Prebish] I do not believe there is any other way than preaching, using persuasion.

[Sallas] And if that is not sufficient?

[Prebish] Well, then we will go on with inflation until, at some point, the current leaders or their successors realize that this is the wrong way. Can you jail them? Can you exile them? No, you cannot, because we are not going to commit the mistakes of the past. In a democracy, only persuasion can work.

[Sallas] What has been done to reduce the fiscal deficit?

[Prebish] A great effort, which the people do not know about, has been made to reduce expenditures. So far this year, expenditures have been greatly reduced. This is to say that one of the methods to reduce the fiscal deficit is already being used. Do you know where the failure lies? In collections. This is the truth. The country's best experts have been appointed to decide what measures must be implemented first, because tax collection is in bad shape. I believe this is one of the most delicate points. Here in Chile, the famous value added tax [IVA] was subject to considerable evasion and, yet in 3 months the evasion was plugged up. How? With inspectors, with some sort of police. People coming out of shops were randomly approached and asked for their purchase invoice. Please recall that the IVA is easier to collect than the taxes on profits. Shoppers here in Chile before were asked with invoice or without invoice? That has ended.

[Sallas] Dr Prebish, tax increases are not of themselves also inflationary?

[Prebish] They are inflationary. They are inflationary if everyone after a tax increase asks for compensatory salary increases. My idea is that, during a transitional period until inflation is curbed, the salary readjustment are granted to those earning less, not to those earning more. In the speech he made before Grinspun's polemic address, President Alfonsin spoke of mandatory savings. What did the president want to say? That if an enterprise raises salaries above the government's guidelines, it can do it; but it should not do it in cash because then the inflationary pressure goes up; that the enterprise institutes saving deposits in favor of its employees or workers, and contributes to them from its profits. It seems to me this is the only way to establish distributive justice, averting the inflationary effects of salary increases.

[Sallas] You constantly speak of making sacrifices. Do you mean that the salaries should lag a few points behind inflation, like in Spain?

[Prebish] Yes and no, yes as far as the mass of workers is concerned. But I would spare from sacrifices those who for many years have been making sacrifices. You cannot impose more sactifices on them. They must be demanded from those who would only have to give up part of their earnings. This ought to be so not because I believe that remunerations should be equal, no. I am far from supporting this idea. But at this time and for 1 year, that must be done to overcome inflation. You mentioned Spain. Well, how long did it take Felipe Gonzalez to become convinced that it has to be that way? Because, he did not think so at first. He became convinced in view of the circumstances.

[Sallas] In all truth, Dr Prebish, which measures does the IMF demand from us in order to make the refinancing of our foreign debt possible?

[Prebish] I will tell you my own experience. With patience and persuasion, I got the IMF to accept viewpoints other than those it is accustomed to. They asked me: How much will your trade surplus be in your calculations? I gave a figure. They told me then you can pay your foreign debt with that surplus. I told the IMF "no gentlemen," because the country's need to grow comes first, and in order to have a 5-percent GDP growth, we have to increase essential imports. The IMF came back saying then you will have to follow a policy of exports promotion. "Yes gentlemen," I said, and also a policy of import substitution. Mr Larosiere was startled, but after a while he told me that I was right. Up until that moment no one had pronounced the phrase imports substitution. The IMF also told me that the economy must have adjustments. I replied "yes gentlemen," but expansionary, not recessionary adjustments. Finally, the IMF told me but you cannot continue to make retroactive salary readjustments. It wan't telling me anything new. I told Mr Larosiere, I am absolutely convinced that the policy that has traditionally been applied in Argentina must be changed. There the conversation ended. I then consulted Minister Grinspun over the phone, and he accepted everything. But when he returned to Buenos Aires, he ran into the reaction of his own party and the Justicialist Party, and he had to adopt a prudent attitude until the public could be convinced. A politician must navigate turbulent waters. It is not easy. One must have great courage to change a policy. Mitterrand had that courage. The Communists left his government and he had great difficulties within his party. But he had no other road to follow but take courage and make the change. How long did it take to do it? Two years.

[Sallas] Do you believe that a country like Argentina that is on the threshold of hyperinflation can stand another year waiting for that change?

[Prebish] No. It cannot stand, definitely.

COMMENTATOR DISCUSSES SUPPORT FOR SANDINISTS

PY212110 Buenos Aires LA PRENSA in Spanish 15 Aug 84 pp 1, 8

[J. Iglesias Rouco commentary: "Sandinist 'Connection'"]

[Text] One of the nine Sandinist commanders, Mr Wheelock, has just visited Buenos Aires for the purpose of boosting the campaign that Managua and Havana are conducting here, in Latin America, and in Europe, with the mass support of the leftist Marxist parties and of others which are not apparently Marxist or do not dare to call themselves Marxists. This campaign is intended not only to pressure the United States over the Central American conflict and to counter possible diplomatic and even military actions against the Sandinist dictatorship in the future, but also to facilitate the recruitment of "internationalists" in the same way Cuba has done since 1981. We should not waste time on the declarations by Mr Wheelock, not even on those referring to his government's intention to fight until the "last man" of the 200,000 soldiers in their Army (200,000 soldiers and military men with a population of less than 3 million). The interview Dante Caputo gave to Mr Wheelock should not be given much consideration either, since it was a perfectly predictable meeting. Instead of all this, it would be interesting for Mr Wheelock to answer the serious accusations against the Sandinist regime which have been made by the Catholic Church for many years, and those of the Human Rights Commission that operates in Managua under all kind of threats and restrictions, or those of the mistreated Miskito Indians. It would be interesting for our government to listen not only to Mr Wheelock, like Mr Ortega before, but also to the accusers.

It seems that President Alfonsin knows the papal encyclicals very well, but he does not know the clamors of Msgr Obando y Bravo or the pope himself. If he were aware of this, President Alfonsin would have a less complaisant attitude toward the Nicaraguan "commanders."

But what should be analyzed is the great campaign that is being run in Argentina, beginning last March, with the support of the Sandinist "revolution", the collaboration of the various youth and student organizations such as the Franja Morada, the activist groups from other countries, some as subversive as the Chilean Movement of the Revolutionary Left. Lately, upon the request of the Communist Party and lefist parties, a national commission of "Solidarity With Nicaragua" has been formed, with the mission of collecting funds, medicine, clothes, food, etc., developing propaganda machinery and dissemination, and opening new ideological channels, especially among the youth.

In May, Nestor Vicente Saadi, Dante Gullo, and Raul Rabanaque Caballero also took different steps for the organization of a "Latin American Front for Solidarity With Nicaragua." The subcommissions for "solidarity" began to spread out throughout the interior of the country, following the example of the folk festivals which were often led by Nicaraguan musical groups such as the one led by Enrique Mejia Godoy and the so-called Mancotal, which mix all types of political activities with their music.

In addition to the 19 July celebrations on the occasion of the Sandinist "revolution" held in Buenos Aires, La Plata, Cordoba, Rio Negro, and Santiago del Estero, this new internationalist "apparatik" also put into effect in Argentina an extensive program of trips to Nicaragua, especially by officials and politicans, such as Interior Ministry Under Secretary Galvan, Mister Raul Ricardes of the Foreign Ministry, and Athos Fava (Communist Party), Oscar Allende (Intransigent Party), and Roque Ernesto Mario Tito (Intransigent Party). Trips to Cuba and the Soviet Union were also organized. The tickets for most of these trips are sold by the enterprise "World Tourism" [Turismo Mundial], which belongs to Fortunato Juan Perusin, Gabriel Mario Manela, Aida Wainstein de Wolman, Sara Dyment de Manela, Sanilda Ana Perusin de Santa Catalina, Maria Bevivino de Perusin, Juana Wolman de Manela, Josefina Prytica de Duschatzky, and Yolanda Amalia Quevedo de Perusin. Moreover, a Swedish company has begun to prepare the sale of Nicaraguan shell fish to Argentina.

The list of political leaders who support this campaign is rather long. For the Intransigent Party, in addition to Alenda and Rabanaque Caballero, the list includes Juan Villalba, Nestor Vicente, Antonio de la Vega, Patricia Bullrich, Dario Diaz, and the main leaders of the Rosario Intransigent "youth." For the Unified Socialist Party: Francisco Fontana, of Buenos Aires; Adalberto Boccoli and Alberto Gabbeta, of Rosario. For the Justicialist Party: Osvaldo Patalagoitia, of Rosario. For the Christian Democratic Party; Nestor Vicente and Augusto Conte. For the Radical Civic Union [UCR]: Santiago Lopez and Wence Julio Steger, of Rosario. For the Popular Socialist Party: Raul Lamberto (Rosario); for the Communist Party: Athos Fava and Ruben Dominguez, also of Rosario. And for the Progressive Democratic Party: Manuel and Oscar Blanco.

The economic aid -- and the international nature of the aid -- which this Argentine-Sandinist front is giving to the Managua regime is rather unconcealable. On 11 July 1984, for example, an Intransigent Party representative left Entre Rios for Nicaragua to participate with representatives of the Peace and Justice Organization in the ceremony marking the presentation of a donation of more than $2 million, collected in several Latin American countries.

It is also appropriate to note the untiring support granted to the Nicaraguan "commanders" by Perez Esquivel, chairman of the Peace and Justice Service [Serpaj], who unfortunately has not been able -- or has not wanted -- to repeat in Nicaragua the successful work he performed here in defense of human rights. On the contrary, during our trip to Nicaragua, in February, Msgr Obando himself, the head of the Nicaraguan church (today exiled to Tome by request of the pope, who feared for his life) told us that during one of Perez Esquivel's visits to that country, he was astounded to see how "coldly" our Nobel Prize winner treated the Nicaraguan Human Rights Commission, and even the persecutions against the church there.

In April, however, Mr Perez Esquivel did not hesitate to accuse the United States, from Norway, of carrying out "terrorism" against Nicaragua. Perez Esquivel has also publicly denounced Argentine military officers for their complicity or direct intervention in the "counterrevolutionary" struggle in Central America. Of course he has said nothing of the regular "exports" of weapons and guerrillas from Nicaragua to the Salvadoran guerrillas. Perez Esquivel's "humanitarian" project ended, as is known, a few weeks ago with the much-ballyhooed "boat of peace" chartered for Nicaragua, which took, in addition to the Argentine Nobel Prize winner, the culture minister of the Sandinist regime (and of the "liberation church"), Ernesto Cardenal, and three Nobel Prize winners (George Ald, Betty Williams, and Linus Pauling).

In sum, in less than 7 months, Argentina has become one of the most important, if not the most important, center of Sandinist support, after Cuba. Not even Mexico or Venezuela, whose governments have never spared their support for the "commanders," have ever shown that type of support for the Sandinists, which means that our country is serving as the main vehicle of Soviet expansion in the continent, after the attrition Cuba has suffered as a Latin American "agent."

Parallel to all this ideological concern, we have many times underlined the additional serious problems of a policy of this nature, which might, or might not, be proposed, but which is obviously tolerated by the Argentine Government (in exchange for what?), which problems burden even more the nation's problems, particularly in the field of international relations. Obviously, if Argentina acts as a logistics base of the Soviet marxist-Leninist "revolutions" in Latin America (and the Marxist-Leninist characterization is not ours but that of "Commander" Ortega, perhaps the most powerful of the nine "commanders"), it will sooner or later receive the well-known "countermove" from the United States and NATO. And Argentina will receive it in a state of poor international defense and extreme internal weakness. On 13 August, the return of Mr Grinspun from the United States was not met with the exhilaration with which President Alfonsin had announced the "agreement" with the IMF. Probably, all that Argentina can obtain at this time are short-term agreements for the payment of interests that have fallen behind. The Beagle and Malvinas do not offer any promising prospects, just like the "dialogue" with Brazil. In sum, none of our well-recognized inclinations for international actions are in line with our sorry situation at this time. But there is something else: If these actions are not advisable for the political or economic standpoint, they are less advisable from the ethical standpoint. And we are not referring to the question of human rights per se, the systematic violation by the Sandinists of fundamental principles of Alfonsinism, or principles it claims to support, but to still more delicate questions. A few days ago, an official of the U.S. Treasury told us that Washington has evidence of the participation of Sandinist figures, and even figures of the regime, in drug trafficking in Latin America and the United States, which is being used as an arm of "revolutionary" penetration by pro-Castro terrorist groups, and Maoist groups such as the Shining Path. As far as we know, some of Mr Alfonsin's conversations in Quito have dealt with this affair. Soon, Managua and Havana may become involved in a terrible scandal, without precedent in contemporary history. And together with Managua and Havana, many leftists, at least those who are innocent and personally honorable, who lend themselves to their maneuvers in Argentina may also become involved.

BANZER JUSTIFIES 1971 COUP, LEAVES FOR DALLAS

PY212355 Paris AFP in Spanish 2013 GMT 21 Aug 84

[Excerpt] La Paz, 21 Aug (AFP) -- If there is widespread chaos in the country, a change of government is justified, former President Hugo Banzer (1971-1978) has said on another anniversary of the bloody military coup which brought him to power 13 years ago.

Banzer made this statement in Santa Cruz de la Sierra, a city located in the eastern part of the country, shortly before leaving for Dallas, to attend as a guest the Republican Party convention at which Ronald Reagan's candidacy will be proclaimed.

COCAINE MANUFACTURE, TRANSPORT PROCESS DETAILED

PY212220 La Paz PRESENCIA in Spanish 5 Aug 84 pp 1, 12

[By Dante Escobar Plata]

[Excerpts] Drug trafficking in Bolivia moves over $2 billion a year, that is almost three times the value of national exports. However, only 10 percent of that amount stays in the country; "the main part of it goes to Colombia and the United States," according to information disclosed here on this illegal activity.

Sinhahota, a modest rural town in Chapare, about 160 km from Cochabamba, with a population of about 3,000 people, of whom approximately 80 percent "is transient," has become the center of cocaine production and commercialization in the form of sulphate, better know as "paste" or "merca."

Figures on the quantity of cocaine purchased and sold in this region are not known, but it is believed to be from 200 to 500 kg a week. Small airplanes land in short airfields to carry out quick transactions and then fly away "to unknown destinations," but it is known that they fly to Beni Department.

This is where the cocaine is "industrialized." The cocaine is treated in laboratories distributed in the Beni Department flat land to be made into "crystals" or cocaine hydrochloride sold by the "strong group which monopolizes the cocaine traffic." This is the "last stage of process" which over 1 year ago "was exclusively done in Colombia."

After "the last process is finished" in Beni Department, the cocaine is exported by air directly to Colombia and the U.S. coasts in international clandestine flights in airplanes that can fly 9 hours nonstop. Colombians buy 1 kg of cocaine "base" for $200 and the "crystal" for $400.

FIGUEIREDO DISMISSES INDUSTRY, COMMERCE MINISTER

PY211639 Sao Paulo Radio Bandeirantes in Portuguese 1555 GMT 21 Aug 84

[Text] Industry and Commerce Minister Camilo Penna was dismissed early this morning by President Figueiredo. Former Minas Gerais governor and current (Cesita) [not further identified] President Francelino Pereira was also dismissed. These events have political connotations. Carlos Rodrigues will give us further details on this from Brasilia.

[Rodrigues] The JORNAL DE BRASILIA frontpage report, that the government will play tough with Social Democratic Party [PDS] dissidents who support Tancredo Neves explains the dismissal of Industry and Commerce Minister Camilo Penna, which was confirmed this morning by the Planalto Palace. Before presenting his resignation to President Figueiredo a little past 1000, Camilo Penna talked with politicians of the PDS Liberal Front led by Vice President Aureliano Chaves, and reported his decision: Camilo Penna could not continue in the government without supporting PDS candidate Paulo Maluf.

President Figueiredo accepted the resignation presented by the minister, but it was confirmed by the Planalto Palace only a little before noon. A little later it was also confirmed that bionic [bionico] Senator Murilo Badaro, Minas Gerais State, who was at Planalto Palace this morning, has been designated the new industry and commerce minister.

Camilo Penna was originally appointed minister by Vice President Aureliano Chaves. He was secretary of state when Chaves was governor of Minas Gerais. Thus, Camilo Penna, who is linked to Chaves, a PDS dissident who supports the candidacy of Tancredo Neves, has to leave the ministry. He will be replaced by Murilo Badaro, a politician linked to Deputy Paulo Maluf, candidate of the ruling PDS for president of the republic.

FIGUEIREDO 'TOUGH' WITH DISSIDENT PDS GOVERNORS

PY211307 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 21 Aug 84

[Report from Brasilia by Carlos Rodrigues]

[Excerpt] Social Democratic Party [PDS] President Augusto Franco went to Planalto Palace yesterday to brief President Figueiredo on the party's situation and to ask more support for Deputy Paulo Maluf, the official PDS candidate for president of the republic. At the end of the meeting with Figueiredo, Franco stated that President Figueiredo has reaffirmed his support for his candidate.

[Begin Franco recording] The president has reaffirmed his support for government candidate Paulo Maluf [end recording]. Franco added that Figueiredo stated that he who is not with Maluf is against Figueiredo. The president reportedly said that he is going to play tough with governors of the PDS Liberal Front who support the candidacy of Tancredo Neves and that he might suspend federal government aid to those states.

LEITAO ABREU, MARCHEZAN ON SUPPORTING MALUF

PY210255 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Aug 84 p 3

[From "Notes and Information" page: "Support for Maluf Leaves Leitao de Abreu Uncomfortable"]

[Excerpt] Leitao de Abreu, Civilian Household chief, has complained to some of his companions, including Deputy Nelson Marchezan, of the discomfort he has to go through as the government's political coordinator, and is thus now obliged to support Maluf. He specifically referred to an episode at a dinner last night when he went to the Planalto Palace press room along with the winner of the PDS presidential convention and Justice Minister Ibrahim Abi-Ackel, who is a confirmed Malufist. Leitao deplored the episode and expressed disgust over the possibility that it may be repeated. He commented on the bad moments he had when he had to announce to the PDS victor [Maluf] Figueiredo's invitation to accompany the president during his visits to the different states. Leitao de Abreu is learning the art of acting, but he does not know how long he can keep going.

Nelson Marchezan, in turn, announced to Leitao de Abreu that he was about to resign the leadership of the PDS at the Chamber of Deputies, and leave the PDS. He will do that in the next few days, but not without requesting an audience with the nation's president, whom he likes so much and does not want to upset. He expects the president to understand that his gesture is not in disloyalty to him. In Marchezan's words, it is like the initiative of the stockholder of a company who, participating on the executive board, disagrees with the other board members and feels that he cannot continue. He just has to ask to be released.

PDS CANDIDATE FAVORS RELATIONS WITH CUBA

PY220000 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Aug 84 p 6

[Text] Deputy Flavio Marcilio, president of the Chamber of Deputies and vice president on the Paulo Maluf presidential ticket, defended once again yesterday the resumption of relations between Brazil and Cuba. Marcilio recalled that he was one of the first politicians to defend the establishment of relations between Brazil and the PRC, and to promote the first Soviet parliamentary visit to Brazil. He expressed surprise at the declaration of the Democratic Alliance candidate Tancredo Neves that Cuba "is a source of terrorism," observing that Neves has the support of pro-Soviet opposition congressmen.

According to Marcilio, Brazil needs to give priority in its political and trade relations to all the nations on the Latin American continent, saying that "the essential point in the relations between states is mutual respect. Each nation has the right to institutionalize itself in its own way." Marcilio then added that "I am one of the most conservative legislators in Congress, but I have always defended Brazil's right to have relations with all nations."

NEVES DISCUSSES POLITICAL, ECONOMIC ISSUES

PY211739 Rio de Janeiro O GLOBO in Portuguese 19 Aug 84 p 2

[Text] Sao Paulo -- In a press conference held during the dedication ceremony of the new headquarters of the Sao Paulo branch of the Brazilian Democratic Movement Party [PMDB], Democratic Alliance presidential candidate Tancredo Neves yesterday said that a distinction should be made in foreign relations between the political field and the economic field. In his opinion, consensus exists in the country regarding the guidelines Itamaraty has been following up until now in the political field.

Neves said: There are no major objections to Brazilian foreign policy from politicians or from the Brazilian public. We would only give our personal imprint to this policy. Yet basically I see no reason to change Brazilian foreign policy in the political field.

In this opinion, the problem is more complex in the economic field. Brazil maintains relations with the IMF and with all other international lending organizations, including the EEC, GATT, and similar organizations. Neves said: In this field we will have to adopt a policy primarily designed to first, guarantee absolute respect for our national sovereignty and, second, to make sure that no economic or financial decision be made which could impose a burden on our people or which could impose restrictions on the Brazilian ability to promote the expansion of its economy.

Neves is opposed to the resumption of relations with Cuba and reaffirmed his support for nonintervention in Central America. In his opinion, the Contadora Group enjoys total support not only from South American countries but from the entire world in its efforts to bring peace to the region. Neves said: Brazil, both through its government and through the opposition, has voiced support for the Contadora Group.

Neves views the nuclear issue as highly significant. In his opinion, that country which has not been following up on nuclear technology is today falling behind and is losing its position in the international community. Neves said: Regarding the Brazilian-FRG nuclear agreement, we really have to examine it to adjust it to the economic possibilities of our country. We cannot indulge in the luxury of maintaining agreements which we cannot afford.

Asked whether he would support the legalization of the Brazilian Communist Party (PCB), Neves said that it is the Constitution which does not allow the functioning of communist parties in Brazil or, "using a more comprehensive term, Marxist-Leninist parties." Neves said: Only Congress can repeal the constitutional provision which bans Marxist-Leninist parties. Thus, this is not a problem for the future president but either for the future congress or the future constituent assembly.

Asked whether those rightwing groups which had perpetrated attacks on the Riocentro and the Brazilian Bar Association will accept the changes which are now being proposed, Neves said that that type of thinking no longer exists in Brazil. Neves said: The opposition is not guided by a revanchist mentality, by a desire to take reprisals or to settle accounts. Those sectors which are now guiding government thinking are also not empowered, and do also not seek or have instructions to create in Brazil that type of atmosphere.

Just as he referred to Congress the problem of legalization of proscribed political parties, Neves says that the legalization of student organizations, and even of professional organizations, falls under the jurisdiction of the courts. Neves said: The right to association is fully guaranteed in the Constitution. We have no reason to prevent compliance with a basic constitutional principle. Those interested parties must get organized to seek recognition and to exact from the courts decisions which would uphold their right to assembly.

Neves said that although he is not afraid of a secret vote at the Electoral College, he has been fighting for a public vote which, in his opinion, is more democratic.

Neves said: I hold all Electoral College members in the highest regard. A public vote will give the voter greater responsibility since he will thus be publicly stating his position before the nation on the solution to such a serious, important issue as the presidential succession, especially at this historical juncture.

Neves said that he would withdraw his candidacy if direct elections were restored. He noted that since he has received a mandate from his party, he would not hesitate to withdraw his candidacy if the PMDB met and found another candidate who would be better. He said: I would not hestiate one minute to do that. I have never put forward or imposed my candidacy. I am just accepting a party assignment.

Neves said he will seek to amend the law on political parties. Neves said: We have no right to prevent any political group from organizing as a political party if it can do so. We must remove bureaucratic steps and make the law on political parties more simple.

Regarding the issue of calling a constituent assembly and the constituent powers Congress has, Neves said that a legal distinction should be made. He said: A constituent assembly is called only when there is no Congress. If there is a Congress in session, it can exercise the functions of a constituent assembly.

Neves said he is not concerned about military support for his candidacy because he feels that the military are increasingly returning to their constitutional duties and he did not want to bring them back into party politics.

Apart from representatives of Brazilian radio, television stations, and newspapers, the press conference was also attended by reporters of THE WASHINGTON POST of the United States; of the BBC of London; and of German television.

ELECTRONIC EQUIPMENT FOUND ON SEIZED BOATS

PY201413 Rio de Janeiro O GLOBO in Portuguese 18 Aug 84 p 5

[Excerpt] Belem -- Patrol boats of the 4th Naval District, headed by the corvette solimoes, of the Northern Naval Group, on 6 August off the Amapa coast seized four fishing boats sailing under the Panamanian flag but whose crewmen were all Koreans. The ships were loaded with electronic equipment valued at 2 billion cruzeiros, but which had no customs certificates. This report was released by Captain Adhemar Garcia de Paiva Filho, chief of the 4th Naval District staff. The fishing boats Makandra 23, Makandra 26, Makandra 28, and Makandra were chartered by the Pina Industrial and Commercial Exchange and Fishing Incorporated [Pina-Intercambio Comercial e Industrial e Pesa S/A] and were heading for Belem.

The ships, which belong to the "International Oceanic Enterprise Inc" [in English] of New York, arrived in Belem yesterday, escorted by Navy patrol units. The crewmen were handed over to the federal police, while the illegal merchandise found in the ship's holds was forwarded to the Federal Revenues Superintendency. According to Ditamar de Sousa Brito, federal revenues superintendant, 60 sets of radio communications equipment and approximately 10 tons of sophisticated electronic equipment were found in the ships.

PINOCHET ON 'WAR PATH' AGAINST COMMUNIST RESURGENCE

PY220200 Paris AFP in Spanish 2120 GMT 21 Aug 84

[Text] Santiago, 21 Aug (AFP) -- Chilean President Augusto Pinochet today declared himself on the war path against communism, which is trying to recover its position after 11 years of his military regime.

We are again confronting Marxism-communism, which is trying to recover the ground it lost on 11 September 1973, Pinochet said, alluding to the coup that overthrew Socialist President Salvador Allende. But we, good Chileans, who think with the heart, for the good of the fatherland, are on the war path to confront communism, said the chief of state during an official ceremony in Los Angeles, 520 km south of Santiago.

Last Sunday upon starting his tour of this region, Pinochet suggested the possibility of repeating the 11 September coup and of hardening the actions of the regime because, he said, the politicians have returned and that we will never accept.

GOVERNMENT TO PROTEST FISHING BOAT ACTIVITIES

PY220250 Santiago Domestic Service in Spanish 2300 GMT 21 Aug 84

[Excerpt] Our country, along with Peru, Ecuador, and Colombia, will protest the activities of fishing vessels from communist countries in the Pacific. This was asserted by Roberto Verdugo, under secretary of fishing, in Vina del Mar.

He said that Chile and the other three countries that signed the Santiago declaration will protest before international organizations the activities of Soviet, Polish, and Cuban fishing vessels which carry out fishing in the territorial waters of the four nations without authorization. The protest will be submitted jointly to SELA and to the South Pacific Permanent Commission. Efforts will be made to get an agreement on this matter in the commission.

NATIONAL UNION MEETS, ADVOCATES DEMOCRATIC SYSTEM

PY210332 Madrid EFE in Spanish 0300 GMT 20 Aug 84

[Text] Santiago, 19 Aug (EFE) -- The National Union movement (UN) today reported that it will intensify its efforts to achieve in Chile "a representative, democratic political system with separation of powers and periodic elections independent of the government." This objective is one of the main conclusions of the UN first general council that ended today in Vina del Mar with the elections of its former secretary general, Andres Allamand, as president.

Upon opening the council last Saturday, Allamand said that in relation to the government the UN announces "its decision to support the government, loyally and disinterestedly, on the right decisions which benefit national interests" and that "it will publish its criticisms of those measures believed wrong."

Former Senator Francisco Bulnes Sanfuentes, who attended the meeting as an "independent observer," said that 1989 should not be reached "with a marked political disorder, with parties that have not really been purified, without knowing their respective forces, and in a state of tension and violence." This is why, he said "I completely disagree with the president's idea not to make any changes until 1989." Bulnes also recognized the legitimacy of the current government because "the Armed Forces freed the country from the tyranny of Marxism-Leninism."

The UN includes some politicians who left the center right National Party and people who have appeared in the political arena during the present decade of the military regime.

MEDIA DIRECTORS END DIALOGUE ON PRESS LAW

PY210330 Madrid EFE in Spanish 0124 GMT 19 Aug 84

[Text] Santiago, 18 Aug (EFE) -- The directors and editors in chief of Chilean radio stations and newspapers have broken off a dialogue with General Augusto Pinochet's administration which was aimed at amending a law which restricts press freedom. The National Press Association (ANP), to which newspaper owners belong, and the Association of Chilean Broadcasters (ARCHI), made up of owners of radio stations, held a press conference to report that they have terminated their attempts to hold a dialogue with Pinochet's administration in order to amend the law on media abuses.

A few months ago the government amended this law adding provisions which, according to those who oppose it, curtails press freedom under the pretext of defending privacy and honor of the people.

It was stated at the press conference that the ANP and the ARCHI, acting on a government invitation, prepared a draft law which protected the freedom of press while protecting at the same time the honor and privacy of the people. However, this alternate draft "was flatly, arrogantly, and contemptuously rejected" by the members of the legislative committees of the government junta. Carlos Paul Lamas, president of the ANP, said that "I believe that there is no freedom of the press in Chile."

The Association of Chilean Journalists, which groups news media professionals, did not participate in this dialogue, judging it in advance to be useless, calling for the abrogation of this restrictive law.

VICARIATE OF SOLIDARITY RESPONDS TO PINOCHET

PY201739 Madrid EFE in Spanish 0520 GMT 18 Aug 84

[Text] Santiago, 17 Aug (EFE) -- The lawyers of the Vicariate of Solidarity of the Santiago Archbishopric have submitted a writ requesting protection from the Bar Association following the statements Pinochet made against them during a working breakfast with foreign news correspondents on 16 August. Pinochet accused the vicariate's lawyers of being "openly communist" and the vicariate of being "more communist than the communists."

Alejandro Gonzalez, spokesman for the vicariate's lawyers, said that "this is an unprecedented event because in a country in which a state of law supposedly prevails, people are criticized just for requesting the intervention of the courts to establish the truth and to punish the culprits." Gonzalez added that Pinochet also "indirectly accused us of being accomplices of terrorists when he stated that every time a terrorist is arrested we file a court injunction."

Asked whether all the lawyers were communist as Pinochet charged, Gonzalez told Radio Chilena, which belongs to the archbishopric, that "we will not discuss this kind of uncalled for accusation."

As for the people defended by the vicariate, he said that "no matter what their ideologies are, they have the right to be tried by a court in keeping with juridical rules, which is precisely what we are doing."

The Santiago Archbishopric today "regretted" Pinochet's remarks and said that the vicariate "is headed by an episcopal vicar who has the archbishopric's confidence that he will fulfill his difficult mission."

It added that "the vicariate's legal department gives free legal advice to the relatives of people who feel their basic rights have been violated so they can take the corresponding legal action." The head of the Vicariate of Solidarity is Ignacio Gutierrez de la Cuente, a Spanish Jesuit priest.

The Association of Foreign Press Correspondents today sent a note to Minister Secretary General of Government Alfonso Marquez de la Plata protesting against the official report on the interview with President Pinochet. The note says that "the version La Moneda Palace gave to the local press was substantially different from what we heard President Pinochet state," adding that "we were faced with the difficult task of accurately reproducing the president's statements and then we find that the official version changed most of them to a greater or a lesser extent." The note quoted the president's charge that "some foreign media had misinterpreted some of his statements in the past." The note says that the official version did not include some accusations against the Vicariate of Solidarity and some aspects of relations with the United States, but says that it did include "complete sentences that were not made by the president and that are not even similar to what he said."

BOMBS EXPLODE THROUGHOUT COUNTRY 20, 21 AUG

PY211433 Madrid EFE in Spanish 1406 GMT 21 Aug 84

[Text] Santiago, Chile, 21 Aug (EFE) -- A high-powered bomb exploded today at 0153 GMT in the offices of the EL MERCURIO press enterprise located in the city of Curico, 200 km south of Santiago. Another seven attacks were carried out last night and early this morning in the cities of Santiago, Rancagua, Valparaiso, Vina del Mar, and Temuco. The bomb destroyed a part of EL MERCURIO's installations and an "all purpose" vehicle parked in front of the premises. The force of the explosion affected neighboring offices, where windows were broken.

Another two bombs exploded in the port city of Talcahuano, 500 km south of Santiago. One of the bombs exploded at the premises of the State Bank, and the other one in the offices of the town hall. The two bombs caused damage, but there were no casualties.

These attacks are to be added to another seven attacks that took place today between 0130 and 0330 GMT in several areas of the country. All seven attacks caused damage.

In Santiago, two bombs destroyed posts of the electricity network, one in the Maipu sector, and the other in the neighborhood of an area of miltiary residences.

Another bomb exploded in Rancagua's town hall, 85 km south of the capital, and it caused considerable damage to the town hall and neighboring shops. Another bomb also exploded in Rancagua at 0355 GMT in front of the offices of the telephone company, destroying the windows and some of the furniture.

The windows of the Morgan Bank, located in Vina del Mar 140 km northeast of Santiago, were destroyed at 0155 GMT, and 1 hour later a low-powered bomb damaged the windows of an apartment building in Valparaiso.

The seventh attack was carried out in Temuco, 700 km south of Santiago, where another bomb blew out all the windows on one side of the building that houses the Edwards Bank, which is located in the downtown area of the city.

BETANCUR DEFENDS GOVERNMENT'S ECONOMIC POLICY

PA201345 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 20 Aug 84

[Text] Bogota -- President Belisario Betancur has stated that his government's economic policy has not failed and he ruled out the nationalization of banks. In remarks to the newspaper EL TIEMPO on the first 2 years of his administration, he said that there has been no concealment of the country's fiscal crisis. Instead, there has been prudence so as not to throw mud on predecessors.

Referring to economic affairs, he said his government's policy in this field has not failed: We control inflation, we are building houses, we are renegotiating the coffee pact, we are speeding up the huge El Cerrejon coal project, and we are moving toward petroleum self-sufficiency. President Betancur said that the devaluation of the peso will continue drop by drop as has been occurring since 1967. He said that the current fiscal deficit adds fuel to the problem of Colombia's external sector. Betancur admitted that the loss of money in foreign exchange was a result of the interest rates and that the government has not changed the composition of these reserves. President Betancur also ruled out a possible nationalization of financial institutions, stating: I don't think nationalization is necessary because the financial sector has formidable recovery capacities. In his remarks to the liberal newspaper in defense of his administration's economic policy, the president promised that there will be no new taxes for the lower and middle classes.

SPAIN'S GONZALEZ ON CACM, CONTADORA EFFORTS

PA211717 Madrid EFE in Spanish 2050 GMT 20 Aug 84

[Text] Bogota, 20 Aug (EFE) -- Spanish Prime Minister Felipe Gonzalez today referred to the advisability of "reconstructing the Central American Common Market [CACM] in order to contribute to [words indistinct] of the region." Gonzalez told EFE that "the reconstruction of the former CACM, through some development project, would be an important step for achieving peace in Central America." Gonzalez said this at the conclusion of his final meeting with Colombian President Belisario Betancur, shortly before returning to Madrid after a 20-day vacation in Venezuela and Colombia. Gonzalez and Betancur held a 2-hour talk today at the Hatogrande Ranch, the retreat of all Colombian presidents since the days of Liberator Simon Bolivar.

In his statement, the Spanish prime minister stressed the need to "try to avoid any foreign presence in Central America unless connected with peaceful development plans, to curb the arms race, and to promote democratic pluralism, in order to lay the groundwork for a peaceful solution in the zone." In addition, he referred to the advisability of agreeing on common development plans while scrupulously respecting the national sovereignty and the territorial frontiers. Commenting on the current situation of the Contadora Group and its peace efforts, Gonzalez said that "if an agreement were reached among the regional countries, which included the Contadora proposals, a decisive contribution would be made to the consolidation of a peace agreement." Gonzalez indicated that "it is very important to reach an agreement prior to October, as this is a special year because of the elections in the United States and Nicaragua. Any solution sought," he added, "must be proposed by the regional countries only, respecting always the decisions and desires of Central Americans." Commenting on the CACM, Gonzalez also indicated that "in order for any project undertaken in the area to be effective and have long-term profitable results, it must always affect several countries because of their size and number of people."

DEPUTY: ECONOMIC MEASURES YIELDING GOOD RESULTS

PY211359 Lima Domestic Service in Spanish 1115 GMT 21 Aug 84

[Text] A special service by AGENCIA ANDINA for Radio Noticias states: Deputy Julio Muniz Caparo has stated that the set of economic measures adopted by the executive branch to revitalize the productive apparatus are yielding excellent results. He added that the request he will make to the commission regarding the bill on public enterprises will meet the country's expectations.

Lima Mayor Alfonso Barrantes has stressed his firm support for the call made by the illustrious former president of the Republic, Jose Luis Bustamante, to form a national front in defense of democratic principles. Barrantes thus fully adhered to the call and said that every Peruvian must contribute to the preservation and affirmation of democratic stability in the country.

Lima Prefect Arturo Arrarte has asked Lima Mayor Alfonso Barrantes to instruct the municipal police to adequately protect consumers. The prefect said that municipalities must control the prices of foodstuff in the markets.

SEVEN PEASANTS KILLED IN CLASH WITH SHINING PATH

PY210050 Paris AFP in Spanish 1530 GMT 20 Aug 84

[Text] Lima, 20 Aug (AFP) -- It was reported in Lima today that seven peasants, mostly old people and members of the peasant vigilante committee were shot to death on 18 August during a surprise attack which Shining Path forces staged against the community of Runguyocc, 5 km southeast of Huanta, (Ayacucho Department).

A heavily armed column of the Shining Path, some 80 men strong, ambushed during the night peasants carrying out vigilante activities armed with slings, knives, machetes, and pickaxes, which placed them at a disadvantage before the aggressors armed with submachineguns and other firearms, according to the police.

The relatives of the victims, whose names were published in a local newspaper, arrived in Huanta to report the event and ask for protection because the extremists have threatened all the communities which are part of the paramilitary peasant vigilante committee, initially created to prevent cattle rustling.

Furthermore, an armed extremist group hurled Molotov coctails at the city hall of Castrovirreyna, a town in Huancavelica Province, 520 km southeast of Lima, setting the building on fire which resulted in severe damages, but no casualties have been reported.

JUAN FERREIRA ON ARREST, POLITICAL GOALS

PY211427 Paris AFP in Spanish 2251 GMT 20 Aug 84

[Excerpts] Montevideo, 20 Aug (AFP) -- Juan Raul Ferreira, former president of the dissolved Uruguayan Democratic Convergence and international relations secretary for the traditional Blanco Party, was tonight released under his own recognizance after being held in a military garrison in the interior of the country for 2 months.

On leaving the military court, Ferreira said that he had returned to Uruguay knowing that he would be arrested, adding that he did not fear the consequences and, of course, his thinking has not changed. We were the first to raise the banners of concerted actions in Uruguay and our desire to attain unity is stronger than ever before, Ferreira remarked, adding that we are taking the initial steps toward Uruguay's unavoidable and irreversible democraticzation.

Ferriera, founder of the Democratic Convergence group, said: I can say without arrogance that I have given the best part of my life to the cause of concerted actions and unity among all honest Uruguayans. I returned to Uruguay to fight for democracy, he said.

It has been said in Blanco Party circles that Juan Raul Ferreira will actively work in the political field to seek a seat in the Chamber of Deputies. According to Ferreira's lawyer, Uruguay Tourne, despite his prosecution, Ferreira, 31, has recovered all his civil rights, including voting and running for office.

Ferreira's release was demanded during daily demonstrations.

GOVERNMENT DECLINES TO EXTEND PARTY LIST DEADLINE

PY220206 Paris AFP in Spanish 0033 GMT 22 Aug 84

[Text] Montevideo, 21 Aug (AFP) -- The Uruguayan military government tonight refused to extend the deadline for the submission by political parties of their candidate lists for the November general election, and refused to consider any further lifting of political restrictions on proscribed citizens. This announcement was made at the end of a meeting held by representatives of the Multiparty Group with Army Commander in Chief General Hugo Medina at which the politicans emphasized the need for a legal extension of the deadline because there are practical difficulties with meeting this deadline.

In accordance with existing regulations, the lists should be submitted 90 days before the election date. Despite his denial, Gen Medina told the political representatives that steps will be taken to expedite administrative registration procedures at the Electoral Court. The politicans sought to extend the 27 August deadline for about 2 weeks. According to spokesmen for the Multiparty Group, government officials believe that to agree to an extension would reflect a lack of seriousness on the part of the government and that this extension would require the issuance of another institutional act.

The political representatives also said that the following issues were also unsuccessfully discussed at the meeting: further lifting of political restrictions on proscribed citizens and the slow pace at which political prisoners, whose release has been negotiated and agreed upon in institutional acts, are being released.

INTERVENTION AT NATIONAL UNIVERSITY TO END

PY220055 Paris AFP in Spanish 2113 GMT 21 Aug 84

[Text] Montevideo, 21 Aug (AFP) -- The Uruguayan Military Government has decided to end the intervention it has imposed on the National University since 1973, Education and Culture Minister Armando Lopez announced today. The measure, the minister said, is designed to let the university adjust its functions and activities to the transition process the country has been undergoing. General elections will be held in Uruguay in November after 11 years of de facto governments.

PIT RALLY PROTESTS GOVERNMENT ECONOMIC POLICY

PY201454 Paris AFP in Spanish 2116 GMT 19 Aug 84

[Text] Montevideo, 19 Aug (AFP) -- More than 50,000 persons participated in a rally today that was organized in Montevideo by the Inter-Union Plenum of Workers (PIT) to protest the Uruguayan military government's current economic policy. The rally, which was canceled on 12 August due to bad weather, was staged in front of the Legislative Palace, the old seat of Congress. A proclamation was read aloud during the rally that demanded an immediate increase in salaries and pensions, the opening up of sources of work, and the immediate rehiring of all those who have been fired for political or labor reasons, both in the private and public sectors. The proclamation also demanded the lifting of all sanctions for the same motives, the full enforcement of political and union freedoms, and immediate and unrestricted general amnesty, and the lifting of proscriptions against people, organizations, and political parties. There were no incidents during or after the rally, and the demonstrators dispersed peacefully.

FOREIGN MINISTER ON DEBT, CONTADORA, ESSEQUIBO

PA211930 Caracas EL UNIVERSAL in Spanish 15 Aug 84 p 12

[Article by Josefina G. de Bohorquez]

[Excerpts] Ou country will take a more participatory attitude, a front line attitude, so that the Quito declaration can become a reality, Venezuelan Foreign Minister Isidro Morales Paul has told reporters with whom he met at the Foreign Ministry "at the express order of the president of the republic." ((passage omitted))

Morales Paul was asked about the meeting begun by the Technical Commission of the Cartagena group, made up of 11 indebted Latin American nations, in Buenos Aires on Monday.

Representatives of Argentina, Uruguay, Peru, Chile, Ecuador, Venezuela, Colombia, the Dominican Republic, Brazil, and Mexico are holding a meeting behind closed doors at the Argentine Central Bank in preparation for a ministerial meeting on a common strategy to face the foreign debt problem.

-- This technical group is analyzing the situation following the Cartagena meeting. It is evaluating the international market and the relations between creditors and debtors, and exchanging views for the upcoming meeting of foreign ministers to be held in Buenos Aires between 13 and 14 September.

Contadora Contacts in Quito

Morales Paul reported that in regard to the Contadora Group, formal consultations were made in Quito. "We already made an evaluation of the viewpoints of the Central American countries. We have a comparative chart on the viewpoints of the five countries and we are trying to establish the feasibility of these proposals, particularly the compatibility among them."

Exploitation in the Essequibo Area

-- Has the Foreign Ministry confirmed the report that North Korean technicians are working in the area under litigation?

-- We are making the corresponding verifications.

-- Are they there or not?

-- That type of information is secret.

The minister reiterated that in regard to Guyana, "there are rules of the game contemplated in the Geneva agreement according to which no action carried out in the area being claimed can change the status quo of the two countries. In other words, it has no effect on Venezuela.

Asked again about the possible consequences of projects that Guyana is carrying out in the area, he concluded: "I would say that if they are involved in investments and the stable creation of a certain activity, this affects the final solution because it is an additional factor that must be taken into account, but I don't think it is an insurmountable obstacle because those who make investments know the rules of the game."

HERNANDEZ SAYS OPEC TO REDUCE PRODUCTION

PA211925 Paris AFP in Spanish 1726 GMT 21 Aug 84

[Text] Caracas, 21 Aug (AFP) -- Arturo Hernandez, Venezuelan minister of energy and mines, announced today in Caracas that OPEC will reduce its production this month by 1.5 million daily barrels as compared with July, and that supply will be set at 16.5 million barrels a day.

Although Hernandez refused to mention any specific country, he added that "several members," Saudi Arabia in particular, will voluntarily reduce their production in order to control the international oversupply and improve market conditions.

BRIEFS

COPEI SECRETARY GENERAL -- The national convention of the Social Christian Party, COPEI, has reelected Eduardo Fernandez as the party's secretary general by a vote of 1,093 to 224 for his closest rival Felipe Montilla. [Summary] [Madrid EFE in Spanish 0256 GMT 20 Aug 84 PA]

GASTROENTERITIS CASES -- Puerto Ordaz, Venezuela, 8 Aug -- Over 2,000 cases of gastroenteritis are reported every month in this city and 9 deaths have already been reported from this illness thus far this month, which constitutes a record figure. Most of these cases are reported in the poorer sectors that lack potable water, sewer and drainage systems, and other services. An operation involving educational lectures, the distribution of special preparations that help prevent the dehydration of children, and similar steps has reportedly been launched in various neighborhoods. [Summary] [Caracas EL UNIVERSAL in Spanish 9 Aug 84 p B 24 PA]

SENATOR DISCUSSES VISIT TO PRC, BILATERAL TIES

FL201410 Mexico City NOTIMEX in Spanish 0150 GMT 20 Aug 84

[Text] Mexico City, 19 Aug (NOTIMEX) -- Senator Antonio Riva Palacio told the Mexican press today that the PRC Government has pledged to totally destroy and abolish its nuclear weapons if a general agreement on disarmament that includes the great powers is signed. Riva Palacio has just returned from a trip the PRC at the head of a Mexican delegation that visited China to build up Mexican-Chinese relations. When he was interviewed at Mexico City International Airport, he said that China's foreign policy is strongly identified with Mexico's and that proof of this identification is the fact that the National People's Congress convoked by China formally expressed its unconditional support of the efforts of the Contadora Group to achieve peace in Central America, and especially the action that Mexico is taking.

Riva Palacio stressed the fact that the Mexican legislators' trip to China established a current of interaction between Chinese and Mexican legislators that will give rise to a series of decisions important to the two nations. He added that the possibility of establishing cooperative South-South economic and trade relations with the aim of strengthening the position of the developing countries was discussed.

FOREIGN TRADE COUNCIL GIVES IMPORT, EXPORT FIGURES

FL201258 Mexico City NOTIMEX in Spanish 2240 GMT 18 Aug 84

[Text] Mexico City, 18 Aug (NOTIMEX) -- The National Foreign Trade Council reported here today that in the first quarter of 1984 Mexico exported goods valued at $260 million and imported $150 million.

The president of the council, Fernando Gomez, said that in the first quarter of 1983 Mexico exported goods valued at $161 million and imported $114 million.

Gomez said 75 percent of Mexican exports are sold to the United States. The remaining 25 percent are sold to countries with which Mexico has trade agreements.

He said the automotive and chemical industries made a recovery [repunte] of 48 percent in the first quarter of 1984, ending a period in which they did not grow.

BRIEFS

PETROLEUM SECTOR TRADE -- According to a recent report issued by the Mexican Foreign Trade Institute, foreign trade in the petroleum sector totaled $7.028 billion in the first 5 months of 1984. Although this figure represents an 8.1-percent increase over the same period in 1983, foreign trade in petroleum exports dropped by $476 million between 1982 and 1983. [Excerpt] [Mexico City UNOMASUNO in Spanish 15 Aug 84 p 7 PA]

YA: GOVERNMENT OF NATIONAL UNITY POSSIBLE

PA201659 Panama City YA in Spanish 20 Aug 84 p 14

[Editorial: "A Government of Unity"]

[Text] Although it does not represent a new government strategy, there have been reports of the possible formation of a government of national unity, as a new effort on the part of President-elect Dr Nicolas Ardito Barletta's advisers. The electoral results, questioned and rejected by the opposition, were closed and distressing, but should still be considered as a reality that has been used to erase the final traces of a dictatorship that shook us for many years.

Most important for the country is that all Panamanians examine our consciences regarding the economic situation that is troubling is, that together we find positive solutions and try to maintain the necessary harmony so that the country can go forward, without being hindered by internal struggles that in the end the morale and good faith of the citizens, without yielding positive results.

We need to consolidate our goals without creating political divisions. We need the concurrence of the most capable men in the task of restoration, and we must put aside negative attitudes in response to the national problem, because the effects of disunity are equally felt on all social levels, and it creates the greatest difficulties for the poorest sectors.

A government of national unity had also been announced by Dr Arnulfo Arias, as a definite need in the urgency to constitute a government of pacification, work, and national harmony. It seems as if the idea has taken shape and is gaining strength in government circles, which could result in the placement of persons who fought against Dr Ardito Barletta's candidacy in important bureaucratic positions.

The emergence of a government of unification results from the economic and financial crisis that the country is facing, the need to postpone fruitless political actions, and the weakness of the triumph claimed by the National Democratic Union, UNADE. We must devote ourselves to productive work and national recovery because we have problems that should be attended to without delay, such as unemployment, roads leading to the areas of production, school and health center equipment, and most of all the cleaning up of the public administration.

The task for those in the new government is great because the entire country is in a worrisome state of need. The demands for public services and general projects have not been fulfilled, and the people hope for the urgently needed solutions with the beginning of the new government period.

BRIEFS

NEW AMBASSADOR TO INDIA -- Horacio Bustamante, the new Panamanian ambassador to India, has presented his credentials and announced that he will send informative chronicles to LA ESTRELLA DE PANAMA on that country. [Panama City LA ESTRELLA DE PANAMA in Spanish 17 Aug 84 p A4 PA]

COSTA RICA

SOVIET FOREIGN AFFAIRS MINISTRY OFFICIAL VISITS

PA201640 San Jose Radio Reloj in Spanish 1200 GMT 20 Aug 84

[Text] During a recent visit to our country, Vladimir Kazimirov, chief of the First Latin American Countries Department at the Soviet Ministry of Foreign Affairs, met with Costa Rican Foreign Minister Carlos Jose Gutierrez, with whom he reviewed the Central American situation at length. The two men expressed their desire and hope that the area's conflicts and tensions will be overcome, as they hinder every peace effort made by the various countries interested in a peaceful solution to the regional problems. Gutierrez and Kazimirov discussed in detail the development of bilateral relations and expressed their interest in expanding these relations.

NEW MONETARY LAW APPROVED AFTER LENGTHY DEBATE

PA211955 Panama City ACAN in Spanish 2202 GMT 20 Aug 84

[By Wilfredo Chan S.]

[Excerpts] San Jose, 21 Aug (ACAN-EFE) -- After 20 hours of debating, the Costa Rican congress last weekend approved a new monetary law that enables the government to negotiate a new agreement with the IMF. The new law also opens the doors of (?foreign) credit to Costa Rica's private banks. The bill was submitted to the Legislative Assembly in August 1983 and it took slightly over a year to go through various stages in the work commissions and the plenary session.

The communists say, "this law results from the pressure and the imposition of imperialism," while the state banks' deficiencies stem from the "lack of political vision of their promoters." One of the official party's deputies who fought the law, Jorge Luis Villanueva, has described the recent parliamentary developments as "an abduction of the parliamentarians' will," since they were cloistered for 2 days, receiving breakfast, lunch, and dinner right there "until the law was approved."

COMMUNIST PARTY'S REGISTRATION REJECTED

PA212246 Paris AFP in Spanish 1629 GMT 21 Aug 84

[Text] San Jose, 21 Aug (AFP) -- Rafael Villegas, director of the Civil Registry of Costa Rica, did not accept the registration from submitted by the Costa Rican Communist Party (PCC) because he believes that a Marxist-Leninist government will "abolish individual rights."

According to Villegas, communism is the "dictatorship of the proletriat," "access to powers by means of revolutionary violence and armed struggle," and by "the denial of the fundamental, liberal principles which are part of the social life and public coexistence in Costa Rica." It also means the "denial of free enterprise and the branches of government, which will be fused into one that will use violence and communist terror against its adversaries," Villegas added. He also mentioned that Article 98 of the Costa Rican Constitution establishes that all citizens have the right to form parties to participate in politics "if they agree to respect the constitutional order in their programs." The Civil Registry's decision can be appealed by the party involved and the Supreme Electoral Tribunal will have the final word.

EDITORIALS WARN ABOUT COMMUNIST INFLUENCE

Infiltration Viewed

PA211858 San Jose LA PRENSA LIBRE in Spanish 14 Aug 84 p 2

[Editorial: "The State Finances Subversion"]

[Text] The spectacle of the massive resignation of government officials should not make us forget the serious protest made public last week concerning the five pamphlets issued by the Culture Ministry. These pamphlets were printed with government funds, and contained concepts that contradict our democratic tradition.

Oscar Barahona Streber [nor further identified] was told that these pamphlets are circulating among peasant women, particularly in the northern region, and they are being distributed by individuals who have links with national communist and communist-biased movements and with the Nicaraguan regime.

It is deplorable that some Costa Ricans should try to subvert the democratic order. It is deplorable when this task is carried out with foreign funds. It is even more serious -- unspeakable, we would say -- if subversion is financed with the meager government funds, whether as a result of complicity, or due to an inefficient control of government officials. In this specific case, we are surprised at the slowness of an official explanation. It is not a matter of waiting 3 days, the time in which any scandal in Costa Rica is supposedly forgotten. We must demand a confirmation of these charges from the minister of culture, youth, and sports, [as published] or his explanation for the reasons his ministry is being used to edit and print material for the communist movement.

Based on the principle of legality, the state should only do what the law explicitly prescribes. The ministry in question can distribute material it considers pertinent to improve the education of the Costa Rican women. However, this material necessarily should be in accordance with our constitutional and legal norms. One of the fundamental norms of our system -- explicitly mentioned -- is the right to private property. No ministry should print anything against this principle, as this would mean that a group of government officials would be violating their oath to respect our Constitution and laws.

For some months, rumors have circulated in the sense that the general communist strategy included giving special emphasis to infiltrating the Culture Ministry. It was even said that the communists were already in control of several offices, thanks to the supposedly progressive attitude -- sometimes derived from a personality complex -- shown by many who consider themselves intellectuals. The charges we have mentioned today seem to confirm these reports. It is also quite possible that other irregularities -- of which we are unaware -- are taking place with the complicity or approval of governmen officials.

Therefore, in addition to demanding a clear explanation on the matter, we urge all the truly democratic government employees, as well as our people in general to promptly report any such action. Paradoxically, these actions that undermine our system, are illegally financed with government funds. Normally, Costa Ricans prefer not to protest They do not like to "buy problems." In reality, Costa Ricans should have the courage to defend democracy. However, it would also help if citizens would report irregularitie with the necessary evidence, to the democratic media. The struggle against subversion should be constant, just as are the destabilizing activities we are confronting.

Schemes Discussed

PA220029 San Jose LA NACION in Spanish 16 Aug 84 p 14 A

[Editorial: "The Big Stick Strategy"]

[Text] Last year the communist party split into two factions -- one faction having a somewhat moderate line open to dialogue and negotiation while the other generally followed a hardline and, before the schism, dreamed of moving on to revolutionary action, force, and armed aggression. The impact of that split has now become apparent. The communist group headed by former deputy Humberto Vargas Carbonell and deputy Arnoldo Ferreto Segura, which closely follows the USSR's guidlines and which the Civil Registry recognized as the legal communist party, has not only promoted the strike that the banana farm workers themselves are beginning to reject by returning to their work places, as well as almost all other strike movements that are announced, but is also promoting violence. The purpose of such a tactic is clear to anyone who gives some thought to the developments of the past several months, particularly the tragic results of yesterday's clashes in Palma Sur.

A few days ago we published a report on the instructions given by communist deputy Freddy Menendez to the Palmar, Coto, and Golfito workers who are on strike. He told them to lay the big stick on those coworkers and union brothers who want to return to their jobs to avoid losing their only source of income. The Attorney General's office should not remain aloof to the goal behind this call to violence which is none other than an attempt to seek a confrontation with the Civil Guard, like yesterday's, and to take the first step toward an armed subversion that -- coming to the aid of Nicaragua's communist regime -- will further complicate Central America's overall situation.

The strategy of the big stick is not restricted to strikes or labor movements. As we have ascertained in the past several days, the communists' struggle is spreading to political and parliamentary circles as well. Not long ago, the same deputy who prescribed that the big stick be used against all workers who return to their jobs assailed Representative Guillermo Malavassi Vargas. The horse race that communist deputies Alvaro Montero Mejia and Arnoldo Ferreto Segura have undertaken to defeat the reforms to the Monetary Law -- the importance of which is well known to them, particularly when Costa Rica is experiencing such difficulties -- and their faceless abuse of the chamber's rules are other attributes of this same big stick strategy.

The communists of this more radical and pro-Soviet faction are beginning their attack against Costa Rican democracy on all fronts and at all political levels to which that same democracy has generously given them access. The ominous beginnings of this situation are felt. If it is not stopped in time, it could translate in a matter of weeks or months into a genuine alteration of the social peace for which we have worked so hard.

The democratic factions in the Legislative Assembly that constitute a majority must realize that they must put an end to the arrogance shown by the communists in that legislative body. If what is needed is a change in the Assembly's regulations that are unusually condescending towards its antidemocratic minorities and that allow those notorious minorities to attack our democratic institutions from the branch of government that is most representative of the people, then let it be done immediately. We do not doubt the support that the two democratic parties therein, the Social Christian Unity Party and the National Liberation Party, will show for the values and traditions of freedom and legality for which they stand. To summarize: The sinister indications of the destabilization efforts being made by the most radical and pro-Soviet communist group are crystal clear and stand as a warning. It is time for the country to be ready.

EL SALVADOR

FMLN, ARMED FORCES CLASH IN SAN MIGUEL, LA UNION

Coprefa Report

PA211716 San Salvador Radio Cadena YSU in Spanish 1800 GMT 20 Aug 84

[Text] The Armed Forces Press Committee [Coprefa] reports that in a clash with the Arce Battalion yesterday, three extremists including one known as Commander Tono were killed and an unspecified number wounded, in the vicinity of San Gerardo, San Miguel Department. The leftists were in the canton of San Sebastian when they were surprised by Armed Forces troops operating in the area.

Further Report

PA211748 San Salvador EL DIARIO DE HOY in Spanish 21 Aug 84 pp 10, 42

[Text] At least 16 terrorists have been killed in the past few hours in clashes with Armed Forces units in the area of Anomoros, La Union, Jucuaran and Usulutan, official sources report. It was also reported that six soldiers were killed in these same areas. In other incidents in the interior of the country, reports state that yesterday morning a group of terrorists fired at the Santa Rosa de Lima military base in La Union. One soldier was injured and two were reported missing. The number of casualties suffered by the subversives is unknown, although residents have said that they did suffer casualties, because bloodstains were found on the ground nearby.

Reports from towns in Honduras near the border with El Salvador in Morazan Department state that yesterday at least 180 peasants fled to the neighboring country because of the problems they faced with terrorist harassment, which did not allow them to live in peace, and because youths were kidnapped and forced by the FMLN to join their ranks. A report on this topic was expected from Honduras yesterday.

Army, Marine, and Air Force units are carrying out joint patrol operations in the coastal sectors of La Union and Usulutan, to prevent the unloading of arms that are being sent to the Salvadoran terrorists from Nicaragua, official military sources eported yesterday.

VENCEREMOS ON FMLN AMBUSH OF TREASURY POLICE PATROL

PA220254 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 22 Aug 84

[Text] We are striking everywhere, we are growing, and we are advancing in our revolutionary war! Attention, Radio Venceremos has received the following information from Cabanas Department.

At 1620 on Tuesday, 21 August, FMLN forces ambusded a Treasury Policy patrol on the road leading from Ilobasco to Sensuntepeque near Santa Lucia Canton. We completely destroyed the vehicle in which the Treasury Police members were traveling and inflicted seven casualties: four dead and three wounded. We also recovered a G-3 rifle and related equipment. Our units withdrew without a problem. Companero Peter led the ambush; and Companero Italo dispatched the information.

HONDURAS

FURTHER REPORT ON CABINET, GOVERNMENT RESHUFFLE

PA210409 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 20 Aug 84

["The Political Minute"]

[Text] The resignation of government officials has only made it clear that Carlos R. Flores Facusse, secretary of state for the Presidency, will return to his seat in the National Congress. Now, the young Liberal politician must begin his struggle from the bottom, if he still aspires to be a presidential candidate. After President Suazo Cordova requested the resignation of all of his top government officials, this started a huge wave of rumors. However, one thing became clear last week: Carlos Flores Facusse, secretary of state for the Presidency, returned to his newspaper LA TRIBUNA and will return to his seat in the National Congress this week.

The young but clever Liberal politician, who has been mentioned as the presidential aspirant who has Suazo Cordova's support, arrived at his newspaper's office last Saturday and announced that as of that date he would again be in charge of the administrative position he occupied prior to his appointment to the important post of secretary of state for the Presidency. Liberals were surprised to learn of Carlos Flores' separation from the government, since they considered him a logical presidential candidate for a number of reasons, particularly becuase of his friendship with the president of the Republic.

While he was secretary of state for the Presidency, Carlos Roberto Flores showed that despite his young age he is a clever man. The position was not more than he could handle. He managed to deal successfully with difficult situations faced by the government in which his post played a vital role in confronting questions raised by national and international opinion.

LA TRIBUNA reported that Flores will be replaced by Communications Minister Carlos Handal, who is probably the man whom President Suazo trusts the most but certainly not the right person to occupy a post for which the main requirement is having political cleverness as well as a vast knowledge of the complex national and international situation in order to be able to respond to foreign journalists and correspondents with the necessary ease and intelligence.

According to rumors heard on the street, which are being used as the main source of information, in view of the government's secrecy there were all kinds of pressures which led to these changes. Even the intervention of the U.S. Embassy and the Honduran Armed Forces High Command has not been discarded.

It is a known fact that Carlos Flores Facusse was a government official who maintained the most cordial relations with the highest U.S. Government representatives. In this respect Honduran political circles knew that Flores Facusse had the blessing of the U.S. Embassy. Recently, however, when various Liberal sectors accused Flores Facusse of being responsible for the international divisions within the Liberal Party of Honduras, PLH, his political influence seemed to decrease. Instead, he was viewed as the apple of discord causing divisions within the PLH to such an extent that someone at an important meeting held at Presidential Palace said that Carlos Flores was the only reason for the party's problems and that by taking him out of the government things would improve and the party's unity, without any splits, would become a reality.

Now, we will see if Carlos Flores Facusse was indeed the apple of discord and if his separation from the party will heal all of the sores suffered by the PLH. Carlos Flores will have to begin his campaign from the bottom, as a congressman, side by side with his declared enemies including Jose Azcona del Hoyo and Carlos (Ordin) Montoya, with whom he maintained a cordial friendship until a year ago.

Rumors on the street has given room to all kinds of speculations, which only contribute to increasing the uncertainty of Tegucigalpa's political atmosphere. In addition to the many speculations, there are severe but serene judgements. It is said that it is hard to believe that the president should think that only 15 months prior to the end of his term he will improve his administration by changing his entire government team when everyone knows that next year will be an extremely political year, and that a brand new team will not be able to accomplish a perfect mission in such a short time. Therefore, people are asking themselves: Was it worth it for the president to create intranquility in the country by changing his team on a date on which it was not expected? Or, were all of these changes to get rid of a particular government official whom he did not have the guts to dismiss face to face and, therefore, had to mount a spectacular drama -- as it was described in an editorial published in a local newspaper -- in order to send him far away? Although the president has the constitutional right to reorganize his cabinet at a time other than the stipulated or determined time, why did he did so at a time when the government's image is tarnished by the questionable actions of a deputy who is vice president of the National Congress?

All of these questions lead us to believe that there have been pressures on the president which forced him to advance -- quite ahead of time -- the cabinet changes which are customary at yearend, and in which the displacement of Carlos Roberto Flores Facusse has been a big surprise since until last month he had the president's protection, and moreover, they were very good friends.

It is worth noting that the only dignified attitude in this confusing situation caused by the surprise resignations was that of Camilo Rivera Giron, who took advantage of the opportunity to file an irrevocable resignation and thus demonstrate that he is a serious man who takes tricks from no one, not even from the highest source.

There are other lower level officials who were recently appointed to posts in the Presidency Ministry who also stand to be humiliated if they are dismissed as a result of the president's stormy decision. On the other hand, the possibility that Flores Facusse will seek the presidential nomination with Suazo's support in the next few days despite the confused situation is not being ruled out. Even the liberals would be surprised by such a step, which is not being completely ruled out.

The confused situation, which did not seem to have heads or tails at first, had been gradually unraveling in the last few days and it seems that all of the enigmas raising from the president's decision to ask for the mass resignation of his aides will be completely cleared in a matter of hours.

NICARAGUA

SHULTZ EXPRESSES ADMIRATION FOR CONTRAS

PA211456 Managua Radio Sandino Network in Spanish 1200 GMT 21 Aug 84

[Text] Montreal, Canada [as heard] -- U.S. Secretary of State George Shultz expressed his admiration for the Nicaraguan counterrevolutionary groups, reiterated his threats against Nicaragua, and said that the United States will maintain its military presence in Central America. He made this statement last night during a speech he delivered in Chicago. In his message before the Veterans of Foreign Wars, Shultz said that his country supports the Contadora Group. He added that although the United States is currently holding talks with Nicaragua aimed at solving their differences, the U.S. military presence in the area will be maintained as a shield to pursue an efficient diplomacy and to foster hopes for the region's pacification. In his attacks, Shultz accused Nicaragua of conducting a farce with the upcoming November elections, and of repressing the opposition parties. He described those attacking Nicaragua from abroad as real Sandinists, granting them the mission of opening a promising future of peace, liberty and prosperity.

NUNEZ SAYS ELECTIONS WILL NOT BE 'RISKED'

PA220425 Managua BARRICADA in Spanish 21 Aug 84 p 1

[Excerpt] Regarding the Supreme Electoral Council's role to ensure proper conditions for the 4 November elections in view of the stance of political groups that continually delay their registration as political parties in order to participate in the elections, Commander of the Revolution Carlos Nunez has said that the FSLN will not let the electoral process be risked.

Nunez said: "The time has come to be firm regarding these stances." He noted that the FSLN was flexible when it made an extension possible at the end of the formal registration period. Saying that the printing of the two types of electoral ballots, namely, those for presidential and vice presidential candidates, as well as candidates to the national assembly, will begin on 26 August, Nunez pointed out that the current problem is not only political but technical as well.

Nunez also viewed contradictions between Higher Council of Private Enterprise, COSEP and the Social Democratic Party, PSD, Constitutionalist Liberal Movement, MLC, and [Social Christian Party, PSC, and added that the discrepancies between Social Christians and COSEP's bigshots have become weak through their own hesitation. Nunez also said that the lack of logic and firmness by Social Christians has led this group to waste the opportunity granted by the revolution to homogenize the opposition. In addition, Nunez said that the groups' abstentionist stance implies a contradiction to the tradition by the international Christian Democrats of participating in elections, even in those elections that have not included the guarantees offered by the upcoming elections.

Later, Nunez said that the electoral process must become a big political literacy campaign for the people rather than a bickering campaign where all parties oppose the government and the government party, and vice versa. Appealing to the parties to prevent what he described as the parties danger of dismemberment, Nunez reiterated the need to have an educational stance so that proposals to the masses can be responsible, taking into consideration the state of war in the country and respecting some principles taught by the FSLN, such as respect for mothers of heroes and martyrs.

CDN'S CRUZ DISCUSSES 'NATIONAL DIALOGUE'

PM221029 Rome LA REPUBBLICA in Italian 18 Aug 84 p 8

[Democratic Coordinating Board [CDN] Chairman Arturo Cruz interviewed by Aldo Sofia in Washington, date not given]

[Text] From Washington, where he is presently visiting, Nicaraguan Democratic Coordinating Board Chairman Arturo Cruz granted us the following interview.

[Sofia] The opposition has asked the impossible of the Sandinists by demanding the initiation of a dialogue between the Managua junta and the "contras". Does this not prove that, come what may, you have no intention of taking part in the 4 November elections?

[Cruz] That is totally untrue. We asked for two things. First, for specific guarantees to being able to mobilize our supporters. Events have shown that the Sandinists would have none of that. There is no freedom of the press, with the exception of one daily, LA PRENSA, which is regularly censored; our rallies were consistently the target of provocations that the authorities did not oppose, and furthermore the Sandinists occupy the state, so that it is not even certain that a victory on our part would not be officially annulled. Second, we want the initiation of a national dialogue involving all Nicaraguans.

[Sofia] But how can the Sandinist front be expected to deal with people who want to eliminate it?

[Cruz] This is in fact where the misunderstanding cleverly generated by the junta lies. They have entirely distorted our proposal. The truth is that the Coordinating Board is not requesting the initiation of a dialogue with Somozists guilty of crimes, with the torturers and currupt members of the Somozist dictatorship. This must be quite clear. That is not all. The "contras" leaders, from Alfonso Robelo to Eden Pastora, have said that they would not take part in such a dialogue, that they would continue to fight, and have thus excluded themselves from possible negotiations. But in a country controlled by the Somoza family for 45 years obviously there are former Somozists (there are some even among the present members of the front) who must be able to take part in the dialogue But Managua does not want a dialogue. And it is using a pretext to reject it, arguing that the Coordinating Board wants the return of the corrupt and the torturers. But that is a lie.

[Sofia] Nevertheless, even Eden Pastora maintains that there can be no understanding and dialogue with the "contras" groups headed by former Somozists.

[Cruz] I am a friend of Pastora, I respect him and appreciate his struggle, but we do not see eye to eye on this point. Even before considering foreign interferences, we say in fact that there is a civil war in Nicaragua. The country is small, there are 3 million inhabitants. And there are no fewer than 12,000 Nicarguans who have decided to take up arms against the Sandinist regime. Are they perhaps all former Somozists? Obviously not. The "contras" include peasants, workers, and Miskitos. So I believe that it is necessary to initiate a dialogue on achieving national peace with some of the "contras."

[Sofia] In any event that is how people justify the armed struggle against the Sandinists.

[Cruz] No. We are opposed to the outrages of the Sandinist junta, but we also condemn the violence of the rebel forces. In any case the Coordinating Board has no formal connections with the armed groups.

[Sofia] Nevertheless, according to the Sandinists there is not only the war of the "contras," there is also the war declared on the junta by Reagan's United States.

[Cruz] I know my reasoning is unpopular with many U.S. and European commentators. But everyone must realize that the Sandinists' policy concerns the whole of Central America, which is witnessing with anxiety the growth of a Marxist-Leninist tendency in the very heart of the region. There can be no peace in Central America without peace in Nicaragua. But there can be no peace in Nicaragua without democracy. In any case it is too easily forgotten that it was the Sandinists themselves who abandoned the original plan for nonalignment. They have slid into the Soviet camp. They have thus placed the country's security in jeopardy. They have fallen into a trap. They prompted the reaction of the United States which is, like it or not, the superpower of the region, and have deprived themselves of the opportunity of a greater scope for political maneuvers.

If the Sandinists had opted for nonalignment and democratic pluralism, Nicaragua would not now be a pawn in the East-West conflict. Of course it now suits Sandinist propaganda to portray Nicaragua as little David confronting the terrible Goliath. But who remembers that the first aid to the country came precisely from Washington and from international organizations within which the United States could have exercised its veto? In any case I am not sure, not at all sure, that if the Democrat Mondale entered the White House he would really change U.S. policy toward a Marxist-Leninist regime.

[Sofia] Be that as it may, even Reagan has initiated a mini-dialogue with the Sandinist leaders.

[Cruz] And we approve of it. But Washington and Managua must realize that the Sandinists cannot presume to conduct a dialogue with Washington while denying the same dialogue to Nicaragua's democrats. It does not make sense, given the situation, and would lead nowhere.

[Sofia] Meanwhile, however, Sandinist Nicaragua is withstanding the attack of the "contras" and seems to be consolidating its internal strength. How much support could the opposition have gained in a free electoral competition such as that promised by the Sandinist junta?

[Cruz] This is a question that deserves an honest answer. During my travels in Nicaragua I have realized that, after 5 years of absolute power, the Sandinists could have won even really free elections. I do not deny it. That would be absurd. But I believe that if there were freedom of the press, if soldiers could vote without having to answer to their superiors, if citizens could vote and choose their candidates without fear of reprisals from the revolutionary committees, if people could vote without having to winder whether they were taking major risks in a time of rationing, then I am not so sure that the Sandinist front would win hands down.

[Sofia] Which voters do the Coordinating Board parties represent?

[Cruz] The Sandinists say we are merely the bourgeoisie's front. In fact we are hated by both the extreme right and the extreme left. The former accuses us of wanting to throw ourselves into the Sandinists' arms; and the Sandinistas describe us as CIA agents. We are simply a center force. The middle class is with us (I am thinking primarily of the liberals and conservatives), but the Coordinating Board includes parties with a very liberal social outlook, like the Social Democrats and the Social Democratic Party.

In addition there are two trade union federations, representing white-collar workers, workers, and peasants who do not want to back communism.

[Sofia] I feel I am listening to a "Nicaraguan Duarte," attacked from right and left.

[Cruz] I have fought against totalitarianism for at least 40 years. I supported the war against Somoza, I was the first chairman of the national bank after the Sandinist victory, and I was ambassador in Washington, also for the Sandinists. I am a revolutionary, not a counterrevolutionary. But I think the revolution can only become legitimate if it leads to a democratic process and the end of injustices. I might even become a "Nicaraguan Duarte" in free elections, but that is the last thing the Sandinists want.

ARDE ISSUES BULLETINS ON NUEVA GUINEA FIGHTING

PA192329 [Editorial report] The (Clandestine) Voice of Sandino in Spanish to Nicaragua at 2300 GMT on 18 August broadcasts four "war bulletins" issued on 18 August by the "General Command of the Nicaraguan Democratic Revolutionary Alliance, ARDE, in Sarapiqui, 'free territory of Nicaragua.'"

War bulletin No 290 states that "at 1600 on 5 August the Juan Alberto Zelaya column, part of the German Pomares unit commanded by Comaapanero Potente, engaged Interior Ministry special forces at Las Milpas, Nueva Guinea jurisdiction." The report adds: "The enemies of our people suffered five dead and two wounded in 30 minutes." The report also stated that ARDE suffered no casualties and that the same column "ambushed an Sandinist People's Army [EPS] patrol at Piedra Fina, Nueva Guinea jurisdiction, killing 12 and wounding 6."

War bulletin No 291 notes that "at 1500 on 6 August the Juan Alberto Zelaya column, part of the Indian commando unit, commanded by Companero Mariposa, ambushed an EPS truck on the road leading from La Providencia to (Los Cascos), Nueva Guinea jurisdiction," and that the enemy "suffered 10 dead and 4 wounded in the clash that lasted 10 minutes." The report adds that ARDE" suffered no casualties."

War bulletin No 292 states that "at 1100 on 10 August the Juan Alberto Zelaya Zelaya column part of the Indian commando unit, commanded by Companero Mariposa, engaged members of the pro-Soviet EPS at Las Minitas in Nueva Guinea jurisdiction." The report adds: The enemy "suffered 10 dead and 2 wounded; ARDE suffered no casualties during this 1-hour clash."

War bulletin No 293 reports that "at 1500 on 9 August the Juan Alberto Zelaya Zelaya column, part of the Indian commando unit commanded by Companero Fatal, engaged EPS forces with rifle fire at Piedra Fina, Nueva Guinea jurisdiction." The report adds: "In this combat, which lasted 40 minutes, the pro-Soviet army suffered 12 dead and 15 wounded. We suffered several slightly wounded men who are recovering in field hospitals." All four reports were described as signed by "Eden Pastora, ARDE armed forces general commander."

GRANMA COMMENTARY VIEWS REAGAN MEDIA 'ATTACK'

PA212236 Havana International Service in Spanish 1600 GMT 21 Aug 84

[Text] Today, the Cuban newspaper GRANMA published a commentary on U.S. President Ronald Reagan's attacks on the U.S. media for publishing the dangerous joke in which he announced that the USSR would be bombed. GRANMA adds that Reagan shamelessly advocates silence so that no one will know what his administration does and says.

The newspaper points out that if the entire U.S. media had remained silent no one would ever have known that Reagan ordered the U.S. Central Intelligency Agency [CIA] to mine Nicaraguan ports, no one would have known of the lies that he used as a pretext to invade Grenada, and the people would never have known of the U.S. influence in the Central American conflict.

Reagan attacks the press, declares himself its enemy and thereby shows that he is an enemy of the U.S. Constitution, GRANMA concludes in its commentary.

VICE PRESIDENT BUSH'S 'ARROGANT ATTITUDE' NOTED

PA211348 Havana International Service in Spanish 1600 GMT 20 Aug 84

[Text] Displaying an arrogant attitude that many observers considered ridiculous and irresponsible, U.S. Vice President George Bush said that if Ronald Reagan is reelected, the USSR will return to the negotiation table. At his arrival in Dallas, Texas, where the Republican Party will open its convention this Monday, Bush, who hopes to be nominated for the vice presidency, said that Reagan is a strong and vigorous man who is in control of the situation despite his 73 years of age.

Bush also tried to minimize Reagan's recent remarks that were picked up by a microphone he thought was turned off, when he announced a nuclear air raid on the USSR. Bush said that the President has always been in favor of negotiations.

Meanwhile, thousands of people who are opposed to Reagan's reelection are planning a massive demonstration in Dallas. The Republican Party platform advocates an increase of militarism and imperialist aggression, and has been strongly criticized by many social and political sectors of the United States. Moderate sectors of the Republican Party say that the platform was drafted by the party's most extremist group, who are nothing more than a bunch of lunatics.

SHULTZ STATEMENTS ON NICARAGUA REPORTED

PA212139 Havana International Service in Spanish 1600 GMT 21 Aug 84

[Text] U.S. Secretary of State George Shultz has said that the Nicaraguan Government represses the opposition, and that this is the reason why there is a counterrevolutionary force in that Central American country. Shultz described those who attack Nicaragua from abroad as authentic Sandinists, and said that their mission is to open a promising future of peace, liberty, and prosperity.

In a speech before war veterans in the city of Chicago, Shultz defined the Central American conflict as the result of Nicaragua's thrust toward militarism and totalitarianism, and described the elections scheduled for next November in Nicaragua as a farce.

Meanwhile, reports from Managua state that 52 counterrevolutionaries and 5 members of the Sandinist People's Army perished in clashes held on 16 and 18 August.

ROMANIA'S INDEPENDENCE DAY COMMEMORATED

FL211916 Havana Television Service in Spanish 1700 GMT 21 Aug 84

[Text] The main ceremony commemorating the 40th anniversary of Romania's independence day was held in Holguin City. The ceremony was presided over by Miguel Cano Blanco, alternate Politburo member, and Nicolae (Petrov), Romanian commercial attache to Cuba.

[Begin (Petrov) recording] [In progress] from the start has shown a firm solidarity with the Cuban people's struggle for national and social freedom along with sympathy and solidarity for the efforts which the brother country of Cuba has undertaken in the building of a better life.

Romania's communists and all of our people value highly and view with great admiration the many successes which the friendly nation of Cuba has achieved under the firm guidence of Cuba's Communist Party in the building of Cuba's socialism and in the defense of its revolutionary conquests of independence and national sovereignty. [end recording]

POLITBURO MEMBER ARRIVES IN BUCHAREST

FL211302 Havana Television Service in Spanish 1105 GMT 21 Aug 84

[Text] Bucharest -- Politburo member Pedro Miret arrived here yesterday heading a Cuban delegation which had been invited to attend the festivities held on the 40th anniversary of Romania's revolution.

HAVANA TO HOST NATURAL DISASTER SEMINAR

FL211454 Havana Domestic Service in Spanish 1000 GMT 21 Aug 84

[Text] The First International Seminar on Natural Disasters [Primer Seminario Internacional sobre Desastres Naturales] will be held in Havana from 3 to 6 September 1984 with the participation of more than 25 specialists from 15 Latin American countries.

The seminar is sponsored by the Office of the UN Coordinator for Disasters [Oficina del Coordinator de Naciones Unidas para Casos de Desastres], the Pan Caribbean Project, and the Cuban Academy of Sciences. The delegates will discuss subjects such as tropical cyclones, floods, earthquakes, and public education.

JOINT U.S.-HONDURAN MILITARY MANEUVERS NOTED

FL211438 Havana Domestic Service in Spanish 1000 GMT 21 Aug 84

[Text] Joint U.S.-Honduran military exercises have begun in Honduras. The maneuvers, named Lempira, are the second in a series of joint counterinsurgency training exercises and will continue during the entire month of August. The U.S. troops participating in the war exercises belong to the 7th Special Forces Group quartered in Ft Bragg, North Carolina, and Ft Gulick, Panama.

GUATEMALA GUERRILLA LEADER ON RECENT ACTIONS

PA211804 Havana International Service in Spanish 1600 GMT 21 Aug 84

[Text] Of late, the Guatemalan Government has promoted a repressive movement covering all sectors of the country, with the basic objective of stopping the development of the popular struggles and the revolutionary movements. This statement was made to Radio Havana by Julian Perez, a member of the Poor Peoples Guerrilla Army, one of the four organizations that form the Guatemalan National Revolutionary Unity.

Perez said that especially important for the Guatemalan people are the actions of the guerrilla forces, who have systematized methods of annihilating the enemy and recovering arms. He added that also very important are the actions carried out by the Guatemalan workers, such as the most recent ones at the Coca-Cola Company, Acrylic Industries of Central America [Industrias Acrilicas de Centro America], and the Adams Chiclets transnational.

Among the most outstanding allies of the Guatemalan regime, he mentioned United States, Israel, Taiwan, and Chile.

CONTRA LOSSES IN NICARAGUAN AREAS CONTINUE

PA220404 Havana International Service in Spanish 0000 GMT 22 Aug 84

[Text] In Nicaragua, the Sandinist forces have continued to defeat the counterrevolutionary bands that have infiltrated the territory of that Central American country.

A report by PRENSA LATINA correspondent Luis Cabrera from Managua follows:

[Begin Cabrera recording] It has been learned that 52 counterrevolutionaries have been killed, and that 5 members of the Sandinist People's Army [EPS] have been killed and 6 wounded during the last few days in counterrevolutionary actions and an EPS offensive to dislodge the task force called Jorge Salazar Regional Command. This is only partial data on the fighting from 16-18 August in various locations in Nicaragua's northern and Atlantic areas.

The EPS troops continue to confront the new imperialist military offensive. It was reported that one of the actions involved the seizure of a launch carrying military supplies and a field book belonging to the counterrevolutionaries indicating the locations visited by the boat's crew on Honduran territory.

On 16 and 17 August, fighting occurred in the areas of (Canada de las Mulas), Sabalete Hill, and Sardina Hill located in Matiguas and Rio Blanco municipalities on the border with Honduras. A total of 30 counterrevolutionaries and 3 EPS members were killed, and 2 wounded.

On the afternoon of 17 August during fighting in the La Patriota area, Matiguas Department, the death of five counterrevolutionaries was confirmed. On the night of that same day, 17 August, a Sandinist Navy patrol boat found and captured an enemy boat at Bismuna Lagoon, North Zelaya. Three outboard motors, three military raincoats, one olive green knapsack, a .32-caliber Winchester rifle, and a .38-caliber revolver were found.

It should be noted that until Sunday, 19 August, fighting continued in the area of Kilambe Hill where, as in other locations, the EPS is fiercely beating the counterrevolutionaries who are trying to remain on Nicaraguan territory. [end recording]

SALVADORAN TROOPS, REBELS CLASH IN SAN MIGUEL

PA212144 Havana International Service in Spanish 1600 GMT 21 Aug 84

[Text] Domingo Monterrosa, commander of El Salvador's 3d Infantry Brigade, has admitted that it was impossible to prevent the relentless attacks against his troops during a raid by the FMLN on the town of Santa Cruz, San Miguel Department, the local military headquarters. Monterrosa admitted that his troops are unable to prevent the guerrillas from receiving logistic supplies and he said that the guerrillas have changed their combat tactics and increased the number of ambushes that are causing Army casualties.

A guerrilla commando unit has claimed responsibility for the bombing of a public health building in downtown San Salvador. Military sources admitted that fierce clashes have taken place between rebels and government troops in Santiago de Maria, Usulutan Department, where one soldier was killed and three others were wounded.

The Catholic Church has denounced the murder of civilians by government troops during the bombing of areas believed to be under rebel control.

SALVADORAN AIR FORCE BOMBS CIVILIAN POPULATION

PA220300 Havana International Service in Spanish 0000 GMT 22 Aug 84

[Text] Radio Farabundo Marti, the rebel station, has reported that the Salvadoran regime's Air Force dropped 7,000 tons of explosives on the civilian population around Guazapa Hill over the weekend. The source adds that this step was part of a counter-insurgency operation during which fourteen 500-pound bombs were dropped over Corozal, Mirandilla, La Caja, Consolacion, and Platanares Cantons.

Radio Farabundo Marti added that even though the number of victims is unknown, the bombings caused substantial damage to the modest homes of the inhabitants and to their crops.

On its part the NOTISAL news agency reported that Salvadoran Air Force spokesmen admitted that indiscriminate bombings are being conducted against the civilian population to isolate the rebels. Another Salvadoran military spokesman said that the Armed Forces are carrying out several operations to try to stop alleged shipments of weapons to the rebels from abroad.

NOTISAL stresses that during the 4 years of armed conflict the Salvadoran regime has been unable to present any evidence that weapons are being supplied to the rebels from another country. It also notes that the FMLN has demonstrated that it obtains its weapons by seizing them from the regime's troops.

URUGUAYAN NATIONAL PARTY VIEWS ELECTIONS

PA202359 Havana International Service in Spanish 1600 GMT 20 Aug 84

[Text] The Uruguyan National Party convention approved participation in the 25 November elections and will remain in session after learning that Wilson Ferreira Aldunate will not accept the presidential nomination.

Some of Ferreira Aldunate's supporters do not want to participate in the elections without him as their presidential candidate and are asking other party members abstain from voting. Meanwhile, no decision has been reached on who will be nominated to replace Ferreira Aldunate, leader of the National Party.

Another report from Montevideo says that approximately 50,000 people held a demonstration against the government on Sunday. The Workers Interunion Plenum called the demonstration to demand the full restoration of civilian rights, the end of repression, and an immediate general amnesty.

HAVANA CONDUCTS AIR RAID DRILLS, EXERCISES

PA211358 Hamburg DPA in Spanish 1849 GMT 20 Aug 84

[Text] Havana, 20 Aug (DPA) -- The Cubans are preparing for an eventual "massive surprise air raid" by the United States, PRELA announced today, after military drills and exercises carried out last weekend in Havana.

The official news agency said that "Cuban authorities have no doubts" that Ronald Reagan's reelection for a second term in the presidency would increase the risks of a generalized war in Central America and the Caribbean. "That reality forces us to take defensive measures to minimize the damages that could be caused by massive U.S. bombings, and to prepare the territory for what is called here a 'war of attrition' that will destroy the U.S. Armed Forces," PRELA pointed out.

The agency reported that thousands of persons in the city participated last Saturday and Sunday in diverse military exercises during which they were instructed on the consequences of a massive surprise air raid.

The inhabitants of the city heard air raid sirens, and practiced drills for evacuating the wounded and taking protection in shelters. On a downtown Havana street, the sounds of airplanes supposedly attacking the capital and of falling bombs were broadcast on loudspeakers.

A battalion of Territorial Militia troops (MTT), which has 1.2 million armed men, was placed on a state of combat alarm, while hundreds of life-saving brigades and fire fighters participated in the simulated evacuation of wounded and in the extinguishing of fires.

The agency said that the Cubans have given special attention to the tactic in case of an eventual war of attrition, whose main objective would be "to see the U.S. troops bogged down in Cuba and forced to wage a war that would cost many lives and resources and in the end suffer a defeat."

As part of this plan, the Cubans have implemented throughout the country "trap factories" and "workshops" to make weapons and incendiary bombs. "No doubt that a surprise massive air attack on Cuba will cause significant damage, but the Cubans are preparing a defense front that will cause the aggressor, the United States, considerable loss," the agency indicated.

FAR AIRCRAFT MANEUVERS HELD IN VILLA CLARA

FL211546 Havana Domestic Service in Spanish 1402 GMT 21 Aug 84

[Text] An exercise in the take off and landing of Revolutionary Armed Forces [FAR] airplanes on several different improvised airstrips has been held in Villa Clara Province. The exercise was a combined effort between the Villa Clara and Matanzas defense zones.

At an operational procedures meeting of the FAR's Central Division, the participants received an explanation of the current international situation, and the missions which could be conducted to counteract a supposed massive, surprise air attack. In the early morning of the days when the exercises were held, the defense zone members -- which included workers, farmworkers, housewifes, youths, students, and pioneers -- helped the FAR units transport the machinery and weapons needed for the defense of the region. The people also helped clean the improvised air strips.

PUBLIC SERVICE ASSOCIATION MEETS IN GRENADA

FL212028 Bridgetown CANA in English 1727 GMT 21 Aug 84

[Text] St George's, Grenada, Aug 21, CANA -- Grenada's governor-general, Sir Paul Scoon, has urged delegates attending the 14th annual conference of the Caribbean Public Service Association (CPSA) here to jealously guard their organisation against attempts at interference by political and "subversives".

Delivering the opening address at the week-long conference, Sir Paul, a former civil servant, called on the delegates to protect the independence of the individual associations.

The governor-general also spoke of having a vision of Caribbean governments rapidly reducing their political rhetoric, intimidation and threats to hard-working civil servants, and moving to greater administrative efficiency.

"You as public servants must help to build this efficiency. You owe this duty to the public you serve," he said.

Delegates attending the conference are drawn from countries including Anguilla, Antigua and Barbuda, Barbados, Belize, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago and Guyana.

Several observers from such organisations as the Barbados-based Caribbean Congress of Labour (CCL), the international Labour Organisation (ILO), and the American Institute for Free Labour Development (AIFLD) are also attending the conference which ends Saturday.

Among the issues to be discussed is the possiblity of observer status for the CPSA at the level of the standing committee of the ministers responsible for labour in the Caribbean Community (Caricom).

Other issues are the problems faced by CPSA members, in particular those in Jamaica and Guyana, and the organisations plan to seek funding from non-traditional sources to help in its work.

General secretary, Barbadian Joseph Goddard, told CANA that among the countries the CPSA would be approaching for funding are Sweden and Norway.

NETHERLANDS ANTILLES

NETHERLANDS MINISTER ON 'SOLIDARITY FUND'

FL171520 Hilversum International Service in English 1000 GMT 17 Aug 84

[Text] The Netherlands will not contribute more to the Antillean Solidarity Fund than the planned 10 percent. This was stated by the [Netherlands] minister for Antillean affairs, Mr de Koning, at the end of the regular talks on the budget on St Martin. The minister said that a large contribution would increase the Antilles dependence, and be at the cost of development projects.

The solidarity fund is intended to meet the budget deficits of the smaller Antillean islands. In the talks, agreement was reached on the construction of a new airport on Saba, a project which will cost some 10 million guilders. In addition a new school is to be built on St Eustius.

ST VINCENT AND THE GRENADINES

MITCHELL DISCUSSES REGIONAL SECURITY, ECONOMY

FL212058 Bridgetown CANA in English 2018 GMT 21 Aug 84

[By Rickey Singh]

[Text] Kingstown, St Vincent, Aug 21 CANA -- St Vincent's new prime minister, James Mitchell, is planning to "de-emphasise" the state's involvement in any plan to set up a Caribbean defence force.

The government, said Mitchell, won't be spending hard-earned cash to help build a regional army when Vincentians need food and proper health and education.

The 53-year-old agronmist also plans to reduce the high running costs of the sugar industry, which he said was bleeding the economy.

On the regional level, he has recommended "less talk, less meeting, and more action" for the Caribbean Community and Common Market (Caricom) and the sub-group the Organisation of Eastern Caribbean States (OECS), as well as regional supervision of elections in Caricom states.

Mitchell's New Democratic Party (NDP) took nine of the 13 seats at stake in last July's general election to defeat Prime Minister Milton Cato's Labour Party.

The government's political, social, and economic policies will be spelled out Thursday, when parliament holds its first post-election session.

On the sensitive issue of national security, Prime Minister Mitchell said that he would seek to "honour, as far as possible and necessary," agreements entered into by the previous administration.

These include the "memorandum of understanding" signed in Roseau, Dominica, in 1982 by St. Vincent and the Grenadines and other Eastern Caribbean countries, including Barbados.

While being aware of "certain initiatives" for the establishment of a regional security system that provides for a standing army, Mitchell said he wishes to make it "abundantly clear that my government has no intention of releasing one cent for the creation of any regional army or to waste money on security matters in preference for a basic needs programme."

He stressed that his government "is not going to spend hard-earned cash to build any regional army when Vincentians need food and proper health and education."

Mitchell said that "beefing up security at home," was by no means a priority of his government.

He said that he has already ordered all policemen who were wearing army fatigues as part of their training as a special service unit under the Cato government, to get back into their normal policemen uniforms.

This attitude and policy of the Mitchell administration differs not only with that of the previous government here, but also with that of a number of others in the Eastern Caribbean which continue to put much emphasis on the training and equipping of their security forces by the United States, following the Grenada crisis of last October.

Mitchell said that he would perhaps have more to say on matters relating to regional security when he meets with fellow heads of government, either at the level of the seven-member OECS or at a Caricom summit.

"What I want to see right now," he declared, "is less talk, less meeting, and more action to promote what's best for the Caribbean.

"I am afraid that as a citizen of this region I am hearing too much about OECA and Caricom meetings and not enough of what's being done to help the ordinary Caribbean man or woman. My government intends to do something to correct this situation."

The prime minister, whose enthusiastic supporters speak of him as "15-hour son," because of son Mitchell's capacity for long hours of work, plans to raise something else when he meets with his fellow heads of government.

This has to do with the controversial question of supervised elections in the member states of Caricom.

"I think there are a number of deficiencies in the Westminster parliamentary system," he said, explaining that while his party was not in the government under that system, he much prefers the French electoral system that requires those seeking elected offices to have less than 50 per cent of popular support.

Because he considers it "vital for representatives of the people to have genuine popular support," said Prime Minister Mitchell, his party and government would encourage support within Caricom for member states to have representatives of governments and parliamentary parties in the region to supervise elections whenever these take place in a Caricom state.

He feels that there should perhaps be a permanent mechansim within Caricom for the "independent monitoring of national elections" in order to ensure that "justice is not only done but seems to be done."

Mitchell concedes that there are regional governments that would not find such a proposition "attractive," but said he would prefer not to engage in "name calling at this stage."

In its bid to show the policy differences with its predecessor, the NDP administration had already run into problems with one of two high-profile and important state-owned projects, financed with funds from the Caribbean Development Bank (CDB).

The project in question is the estimated 12 million E.C. dollar (one E.C. dollar; 37 cents U.S.) Diamond Dairy Company, set up four years ago as the sole importer of milk, with the intention of establishing its own dairy herd and making this territory of some 110,000 Vincentians, self-sufficient in milk production.

The NDP had promised during its election campaign, to end restrictions on milk imports, allowing the private sector to also purchase milk in order to end what the party had described as a "scandalous shortage" that was affecting the health of the people.

Even before the government could have regularised its new policy on milk imports, however, it was advised that it ran the risk of breaching an agreement with the CDB under which the Diamond Dairy Company was funded -- an agreement which had also made the CDB a 25 per cent shareholder in the project.

So, while maintaining that he would do everything possible to ensure that the people of St. Vincent and the Grenadines "are not penalised for a shortsighted milk policy of the Labour Party," Prime Minister Mitchell has decided to leave Diamond Dairy Company as the sole importer of milk until "clarifications" take place between his government and the CDB.

Mitchell has arranged for discussions to be held this week with the CDB.

But the government's policy towards another CDB project, relating to the state-owned sugar industry, is of a more complex nature and one that might require the CDB to undertake a review to meet the NDP administration's concern to end a what it sees as a massive drain on the national treasury.

The island's sugar industry, according to Prime Minister Mitchell, revived some three years ago by the purchase with CDB's assistance of an old sugar mill, was costing the country about one million E.C. dollars a year in recurrent expenditures.

Now that expenditure has skyrocketed to some 21.6 million dollars annually.

The project intially cost 28 million, and provides employment for approximately 800 workers.

Mitchell said that the 21.6 million dollars recurrent expenditure "is a waste of resources that this country simply cannot afford."

"Can you imagine, " he asked, "what we can do with 21 million dollars a year, even if we have to redeploy those 800 workers in the sugar industry?"

Mitchell said that this project "simply cannot continue as it is," and did not rule out the possibility that his government may consider "buying sugar, out of the Caribbean if necessary, to put an end to this costly bleeding of the economy."

UNION LEADER CALLS FOR CONSTITUTIONAL GOVERNMENT

FL211352 Bonaire Trans World Radio in English 1130 GMT 21 Aug 84

[Text] In Georgetown, Guyana, the secretary general of the Clerical and Commercial Union has criticized the regime of President Forbes Burnham and said shopping for basic food items has become a nightmare. Mr (Birchmore Phillips) told the union's membership that the position of workers is worse than last year and the future is a picture of social and economic gloom. He said the banning of wheat flour has dislocated Guyana's economy and that for most housewives shopping for basic food items is a fatigue and a nightmare. He called on the union members to redouble their efforts to put the country back on the path of genuine and constitutional government.

SECOND SUGAR CROP TO REACH NEARLY 195,999 TONS

FL201550 Bridgetown CANA in English 1605 GMT 19 Aug 84

[Text] Georgetown, Guyana, Aug. 19, CANA -- More than 12,000 tons of sugar have been produced in the current second 1984 crop, which is expected to produce nearly 195,000 tons, the state-run Guyana Sugar Corporation (Guysuco) has said.

The second crop started four weeks ago and the 10 sugar factories are in operation after undergoing maintenance operations for more than six weeks.

Sugar made in the first three weeks totalled 12,450 tons, taking the years' production to 117,611 tons, Guysuco said.

The first 1984 crop yielded 105,161 tons. The target had been 110,000 tons.

Guysuco has set a target for 1984 of 280,000 tons and is currently engaged in discussions with the three unions in the sugar industry on a production incentive for workers.

The Guyana Agricultural and General Workers Union (GAWU) represents 23,000 workers, the National Association of Agricultural, Commercial and Industrial Employees (NAACIE), 12,000, and the field Foremen and Supervisors Union (FFSU) 500.

DOMINICAN REPUBLIC

SOCIALIST YOUTHS DECRY INCREASED BUS FARE

FL211700 Santo Domingo LISTIN DIARIO in Spanish 16 Aug 84

[Text] The Socialist Youth Bloc has announced that it will organize demonstrations if the government continues with the increased bus fare.

The organization said in a press release that the government had condemned hundreds of students to not being able to go to class as a result of the increased fare, because the price of books, pencils, notebooks, and all other school materials had also increased. The article said that as soon as the situation at the Autonomous University of Santo Domingo had normalized, the students would go to the streets demanding that government rescind this measure.

PARAGUAY

JUDGE ORDERS HOUSE SEARCHED FOR WEAPONS

PY172145 Asuncion ULTIMA HORA in Spanish 16 Aug 84 p 35

[Excerpts] A house in Puerto Pabla, Lambare, on the outskirts of Asuncion, was ordered searched because there were reportedly objects that are "a threat to state security" inside the house. Pastor Coronel, chief of the Police Investigations Department, asked for a search warrant. The search warrant, which was signed by Criminal Judge Anselmo Aveiro Jr, is for the house of Enrique Segovia, in Puerto Pablo, jurisdiction of Lambare.

It has been reported that the Police Investigations Department asked for the search warrant because it was informed that there were objects that are a threat to state security inside that house. Those objects are reportedly weapons and other things. Police sources said that no reports about the investigation could be given at the moment, but that the appropriate report will be sent to the courts in due time.